

# Public Administration

The Journal of the Institute of Public Administration  
Palace Chambers, Bridge Street, S.W.1.

Vol. IX—No. 1

## CONTENTS

January, 1931

	PAGE
WINTER CONFERENCE . . . . .	3
THE METHOD OF SOCIAL LEGISLATION, by G. D. H. Cole, M.A. . .	4
OFFICIALS AND THE PUBLIC: THE INDUSTRIAL SPHERE, by E. J. Foley, C.B. . . . .	15
OFFICIALS AND THE PUBLIC, by Herman Finer, D.Sc. . . . .	23
PERSONAL RELATIONS OF OFFICIALS AND THE PUBLIC, by G. H. Stuart Bunning, O.B.E. . . . .	36
HOW LONDON IS GOVERNED, by Hugh Green . . . . .	41
THE ABSORPTION OF THE WORK OF THE POOR LAW AUTHORITIES IN LONDON BY THE LONDON COUNTY COUNCIL, by W. H. Waddington . .	49
RECENT DEVELOPMENTS IN GERMAN PUBLIC FINANCE, WITH PARTICULAR REFERENCE TO THE COMMUNES, by Miss May L. Dhonau, B.A. . .	55
LOCAL FINANCE—SOME SUGGESTIONS IN RURAL AREAS OF SOUTH INDIA, by M. K. Muniswami Aiyar, M.A., B.L. . . . .	61
PROBLEMS ASSOCIATED WITH THE DEVELOPMENT OF ADMINISTRATORS, AND THE TRAINING OF STAFF, by F. B. Lee . . . . .	67
THE CASE FOR THE SUPPLY DEPARTMENT, by H. S. Sadler, A.F.I.A., A.A.I.S. . . . .	73
NOTES: International Congress of Local Authorities, 1932 . . . .	83
REVIEWS—See next page.	

Contributions should be addressed to THE EDITOR, PUBLIC ADMINISTRATION,  
Palace Chambers, Bridge Street, Westminster, S.W.1.

Books for Review should be addressed to THE EDITOR.

LONDON: THE INSTITUTE OF PUBLIC ADMINISTRATION, Palace  
Chambers, Bridge Street, Westminster, S.W.1.

All rights reserved.

A

# Reviews

<i>Author of Book</i>	<i>Short Title of Book</i>	<i>Author of Review</i>	PAGE
DORAN, H. B. . .	<i>Materials for the Study of Public Utility Economics</i>	H. N. B. . .	85
HORMELL, O. C. .	<i>Control of Public Utilities Abroad . .</i>		
BAUER, JOHN . .	<i>Standards for Modern Public Utility Franchises</i>		
DAKYNs, A. L. . .	<i>The Administration of Public Utilities .</i>		
GAUS, J. M. . . .	<i>A Study of Research in Public Administration</i>	A. L. DAKYNs	88
CHILDS, H. L. . .	<i>Labour and Capital in National Politics</i>	H. L. BEALES	90
MUKHTAR, AHMAD .	<i>Factory Labour in India . . . .</i>	H. L. B. . .	93
MUIR, RAMSAY . .	<i>How Britain is Governed . . . .</i>	RONIN . . . .	94

## Winter Conference, 1931

**A**T the Conference to be held in the Westminster City Hall, Charing Cross Road, London, S.W.1, on 31st January and 1st February, 1931, under the auspices of the Institute of Public Administration, Mr. I. G. Gibbon will preside over discussions of various topics grouped under the general title "Officials and the Public."

There will be three sessions to the Conference as follows:—

(a) Saturday Morning, 31st January.

10.30 a.m. "Consultation and Negotiation between Public Authorities and Organised Private Interests in the Industrial Sphere."

1 p.m. Adjourn for lunch at Pinoli's Restaurant, Wardour Street, W.1.

(b) Saturday Afternoon.

2.30 p.m. "Consultation and Negotiation between Public Authorities and Organised Private Interests in the Sphere of Social Services."

(c) Sunday Morning, 1st February.

10.30 a.m. "Personal Relations of Officials and the Public."

The following articles in this issue of "PUBLIC ADMINISTRATION" indicate some of the points open for discussion:—

"The Method of Social Legislation," by G. D. H.

Cole, M.A. ... .. page 4.

"Officials and the Public: The Industrial Sphere," by

Mr. E. J. Foley, C.B. ... .. page 15.

"Officials and the Public," by Dr. Herman Finer ... .. page 23.

"Personal Relations of Officials and the Public," by

Mr. G. H. Stuart Bunning, O.B.E. ... .. page 36.

# The Method of Social Legislation

By G. D. H. COLE, M.A.

WHEN Lord Hewart and other critics protest against the growth of the virtual law-making powers of the modern "bureaucracy," it is easy enough for them to make out a clear case, to the extent of showing that these powers have, of late years, been increasing very fast indeed. Their troubles begin when they are asked to suggest a remedy for a situation which everyone agrees to be in some measure unsatisfactory and the product far less of deliberate intention than of sheer force of circumstances which no way has yet been found to control.

The nature of these compelling circumstances is clear enough. In the modern world, legislation has become much more pervasive and much more complicated than it used to be. These characteristics arise directly out of the conditions of modern life, and especially of the modern economic system. A hundred years ago, Great Britain had indeed a complicated system of Customs and Excise, which Sydenham and others, following Huskisson, were labouring hard to simplify; but, apart from this, the body of legislation dealing with social and economic matters was very small, and the administrative equipment behind it slender indeed. There were Factory Acts on the Statute Book even then; but there was no factory code, and no inspectors had yet been appointed. The whole mass of legislation providing for enclosures was carried through without the supervision of any central department. The Poor Law, on the eve of reform, was still in the hands of a host of local bodies, operating without any central control; and while such measures as the Acts of Settlement involved endless administrative complications, these questions were left to be fought out in the courts without the Central Government taking a hand. Only with the establishment of the new Poor Law Commission in 1834 did the now copious stream of Orders and Regulations begin to flow out from a Central Department of State, as it had flowed at an earlier period under Elizabeth and the earlier Stuarts from the Council or the Court of Star Chamber.

Social and industrial legislation, which alone I shall attempt to discuss in this preliminary paper, are above all responsible for the



## *The Method of Social Legislation*

growth of administrative activity. And, although the stream of orders and regulations began first to flow from a body—the Poor Law Board—which made no financial contribution to the cost of the services which it supervised, it will hardly be contested that the later swelling of the stream depended largely on the development of “grants-in-aid”—in the broad sense of contributions paid by the Exchequer in aid of services whose detailed administration was entrusted to local bodies. The State, paying in part the piper, claimed a say in calling the tune. Indeed, it could hardly avoid doing this; for money provided by Parliament was voted for specified purposes and subject to conditions, and it was indispensable both to see that these conditions were observed, and to secure equality of treatment, according to prescribed principles, between area and area. Nor could this long remain simply a question of equal treatment of one area with another; for as soon as money was paid out by the State for the benefit of individuals, as under the Education Acts, or to-day under various forms of social insurance and provision, it became essential to ensure equal treatment between individual and individual. Thus, the more the system of grants-in-aid was extended, the more the stream of orders and regulations was swelled.

Apart from this, the growth of legislative intervention in industry made uniformity of enforcement a more and more important matter. The earlier Acts relating to factories and mines were very laxly administered; but even if they had been fully put in force their prescriptions were relatively few and simple, and did not, as a rule, greatly affect the employer in his conduct of industry. But, as legislative intervention became more stringent and far-reaching, it came to matter more to secure uniformity of enforcement; for, if the law were enforced against Mr. A. and not against his competitor, Mr. B., was there not manifest unfairness? Moreover, the more stringently a law is to be enforced, the greater becomes the need to adapt it to all the special circumstances of each case. A few general provisions relating to factories and workshops generally may do well enough for a beginning; but the modern factory code has to provide separately for each type of factory or workshop, and for all the various incidents that may arise in establishments of each type.

It is, however, manifestly impossible to do all this directly by legislation. Modern Acts of Parliament are, indeed, often very long, and swollen out by elaborate schedules which lay down conditions for their working. But the longest Acts very often give rise to still longer orders and regulations, which proceed from the Government departments entrusted with their administration. Anyone who becomes a subscriber to the published series of Statutory Rules and Orders learns a good deal in the first month about the complexity of

## *Public Administration*

modern methods of administration. And, even so, he receives only a fraction of the snowstorm of circulars that falls out of Whitehall upon the lesser administrators of the modern State-system.

Even if it were possible, it would be clearly undesirable further to enlarge the verbiage of Acts of Parliament, by causing them to embody directly the rules and regulations which are at present "made by the Minister" after an Act has become law. This would not only make almost impossible the getting of the required Acts through a House of Commons grossly overburdened already, but also give to the regulations themselves a most undesirable amount of inflexibility; for Parliament would be far too busy making them to spare time for their amendment if it made them wrong. There is, indeed, a great deal to be said for the view that we put too much detail into our Acts of Parliament now, and that Parliament would be wiser to content itself with prescribing by law only the general principles, and to leave the details to be filled in by some less cumbrous and time-absorbing method. We have no regular analogy in this country—save under a few very special Acts, such as the Emergency Powers Act—to the presidential decree of other countries. But often, when Parliament has fallen sadly behind its programme of work, and measures of vital importance are held up purely for lack of time, one is sorely tempted to wish that we had, in this country, some method of making law less difficult to set in motion and admitting of easier correction than the orthodox procedure of the Houses of Parliament.

Take as an instance of our present difficulties the parliamentary history of the unemployment insurance system. How much valuable parliamentary time has been absorbed of late years in tinkering with that troublesome measure, which no party proposes to rescind, but all wish to bend a little this way or that! I think we have tried to put far too much detail into the Unemployment Insurance Acts—far too much, or far too little. We have tried to determine strictly by Act of Parliament who has, and who has not, an individual claim to benefit; and we have tried to do this by means of a uniform measure which ignores all differences between one industry or class of workers and another. The result is inevitably unsatisfactory. It gives the Civil Service a rigid set of rules to administer, without so framing those rules as to meet the difficulties of each particular class of case. It is clearly out of the question, on grounds of both desirability and practicability, to amplify the Acts so as to include the variants called for by each separate industry. It would, therefore, in my judgment, be far better to put less into the Act, and to leave in the hands of some body other than Parliament a fairly wide discretion to frame regulations dealing with particular classes of insured workers; either

## The Method of Social Legislation

by industries, when that seemed best, or by types of unemployment, such as short time, or seasonal or casual work.

But, as soon as this is suggested, an obvious difficulty arises. In whose hands is this power, at present either wielded directly by Parliament or not wielded at all, to be placed? It is out of the question to entrust it to the Minister and his advisers of the Civil Service; for the common cry is that they have too much power already. Certainly neither Parliament itself, nor that section of public opinion which is most vocal, would tolerate any proposal to transfer more of the legislative power into the hands of the Civil Service. Nor, I presume, would civil servants themselves desire it; for it would expose them to additional unpopularity, and make them in effect arbiters of public policy in an obviously undesirable degree. The power might, indeed, be nominally that of the Minister, and the responsibility that of the Cabinet. But both Ministers and Cabinets have too much on hand already to be capable of taking on more; and, rightly, public opinion would regard any step of the kind proposed as a further stage towards government by the permanent officials.

What then are we to suggest? Suggestions, in order to be useful, must be particular, and not general. For there is evidently no one body to which could be entrusted the task of filling out the details of all the various measures enacted by Parliament for the regulation of social and industrial conditions. At all events, let us stick, for the moment, to the particular case. I should like to see the Unemployment Insurance Acts themselves much less detailed and more flexible, and the power of making regulations under them entrusted, as it is in Germany, to some sort of Statutory Commission set up under the authority of Parliament. This Commission would doubtless be nominated by the Minister of Labour for a period of years; and its orders and regulations might be made operative only with his sanction, as are the orders of a Trade Board to-day. But the actual legislative process, within the general framework constructed by Parliament, would then become a matter, neither for Parliament itself nor for a Civil Service department, but for a representative commission analogous to a Trade Board, but exercising power, within its reference, over a much wider field.

It could be further laid down, if it were thought desirable, that all regulations of importance should, in addition to receiving the approval of the appropriate Minister, be laid on the table of the House of Commons, and become operative only if no resolution hostile to them were carried by the House. This would mean in practice that on most occasions the drafts would go through *sub silentio*, but that it would be possible at any time to challenge a debate in Parliament if an important question of principle arose. The power to make

## Public Administration

regulations would, of course, be confined within the limits laid down in the Act of Parliament itself, and any regulations made in excess of these powers would be *ultra vires* and unenforceable—a matter upon which the ordinary Courts would preserve an undiminished power to pronounce. But, within the general prescriptions of the Act, regulation-making—which is, let us agree, a subordinate kind of legislation—would become the function of a special body, constituted for that purpose and for general supervision of the administration of the Act.

This proposal has, I know, its difficulties. It makes the Minister the spokesman in the House of Commons of a policy over which he has a right of veto, but which he does not positively originate or control. It makes the actual Civil Servants who have to administer the Act take their orders partly from the Minister and partly from the Board or Commission, or rather wholly from a Minister acting in part as the mouthpiece of the Board. But neither of these difficulties seems to me to be, in practice, very serious. The first is not serious as long as the Minister possesses the right of veto, nor the second as long as the regulations of the Board reach the civil servant transmuted into the orders approved by the Minister. Similar conditions have applied, and have worked quite well, in more than one field.

Of course, a great deal depends on the amount of moral authority behind the Statutory Commission. If this were simply a board of ordinary civil servants, as much objection would be taken to its possession of regulation-making power as to the exercise of the same power directly by a department. The change would be hardly more than of name. It would be indispensable, therefore, to equip the Board with some degree of representative authority external to the department, in order that its recommendations and orders might carry sufficient weight.

In the particular case of unemployment insurance, this would clearly involve a Commission broadly representative of the trade unions and employers' associations chiefly concerned with the working of the system. The representatives of these interests might be chosen in any of a number of ways; and to them might be added persons chosen by the Minister to represent the public interest—a leading accountant and an economist, maybe, among them. But these are details into which it is unnecessary to go at the present stage. The general nature of the proposal is plain enough not to admit of doubt.

What would be its advantages? Five seem to me to be of outstanding importance. First, it would be possible to make the system far more flexible, to adapt it more exactly to different groups of cases, and to prevent abuses from growing up within it owing to the

## *The Method of Social Legislation*

attempt to apply a common rule to many widely varying conditions. Secondly, it would be possible to rectify mistakes, and to adapt the system to changing needs and circumstances, without undesirable expenditure of valuable parliamentary time. Not nearly so many amending Acts would be needed as have been needed in recent years. Thirdly, the representatives of employers and employed, who have now no responsibility for the fair or efficient working of the system, would have a responsibility, and would be enlisted to help in making it work with the minimum of friction or abuse. Fourthly, it would be possible to consider desirable amendments less in an atmosphere of party controversy. And fifthly the permanent officials would be relieved of an unpleasant and unpopular responsibility imposed upon them by the inadequacies of the existing statutes.

As against these very great advantages I can see no really serious disadvantages of any kind. Doubtless, those who wish to make party capital out of the unemployment insurance scheme, on either side, would be baulked of many of their opportunities. But is that a disadvantage? Doubtless, Parliament would have handed over to a subordinate body what is virtually a part of the law-making power. But is that a disadvantage for a Parliament which has so many laws to make that it is in increasing danger of making none of them well? It is a familiar criticism of some heads of great enterprises that they do not know when to delegate authority, and attempt to keep far too much in their own hands. The same may be true of a Parliament, which, as its work increases, must find means of getting some of the subordinate functions off its hands, in order to concentrate its attention on those which cannot be delegated.

I have taken this particular instance of the Unemployment Insurance Acts because it seems to offer an excellent chance for an experiment, that might be acceptable to many people who would reject out of hand any proposal of a more ambitious sort. Everyone admits that the unemployment insurance scheme has got into a mess, from which it ought to be rescued. I venture to suggest that the trouble arises largely from both legislating for, and seeking to administer, the scheme in a wrong and inappropriate way—from attempting to frame an Act of Parliament covering all the cases with a series of inflexible general rules, and from placing outside all share in administering the Act the classes of persons on whose behaviour and attitude towards it its success or failure mainly depends.

We may now return from the particular to more general considerations. Such a Statutory Commission as I have proposed for unemployment insurance differs *toto cælo* from such Advisory Committees as form part of the regular furniture of most Government departments. These Advisory Committees are generally well thought

## *Public Administration*

of neither by the civil servants who have to deal with them nor by the unfortunate persons who spend their time sitting upon them. There are exceptions; but they are generally failures, or at least not much more than window-dressing. The reason is, I think, fairly clear. These Advisory Committees have no positive work to do. Their function is purely critical, and not constructive. The civil servant, who has the job to do, does not usually welcome their interference with his doing of it. Their meetings are too intermittent, and their attention too perfunctory, for them to get any grasp of the work on its administrative side. They are, moreover, often consulted only when it suits the Minister and his advisers within the department to consult them, and shoved aside, or left in the dark, whenever it does not suit. Even so, there are good and useful Advisory Committees, especially those which deal with scientific matters and have a strictly limited reference which prevents them from dissipating their energies. But most Advisory Committees—even most Advisory Councils—with a wide or undefined reference are futile. At most, they provide for occasional meetings between leading civil servants and persons outside the service whom it is useful for them to meet.

The Statutory Commission, even if its decisions need ratification by the Minister before they can become operative, stands on quite a different footing, because it has a definite job to do—a definite task of administration placed in its hands. It demands, of course, correspondingly more from its members; but it also gets more, because its members feel their giving to be more worth while. If we are serious in wishing to enlist the help of outside bodies in the work of government and administration, they are likely to get and give far more by being represented on Statutory Commissions than through any number of Advisory Committees or Councils with far wider and higher-sounding terms of reference.

All this, however, deals with only one aspect of the problem, albeit considerably the most important. In any process of government under statute, it is necessary to consider first the drafting of the statute, secondly its passing into law, and thirdly its administration. If we are to get good laws, that will work well, it is of vital importance that full attention shall be given to the first of these stages. As Parliament will certainly be very short of time, and is in any case neither an expert body nor one whose atmosphere conduces to good draftsmanship, it is essential to get a draft statute into the best possible shape before ever it is introduced into Parliament. Now, drafting is at present mainly a departmental matter, subject to the endorsement by the Cabinet of the drafts prepared in the departments. At present, it is very common for a Bill to receive its first reading in the House before anyone knows what it is going to contain. It is then



## *The Method of Social Legislation*

sprung upon Parliament and the public, as a measure to which the Government is already committed, before there has been any opportunity at all for public discussion of its merits.

Of course, this does not always happen. Mr. Neville Chamberlain, for example, circulated a memorandum containing the main proposals of his Local Government Bill and invited full discussion upon these proposals, long before the Bill itself was introduced, or the Government committed definitely to it. And often a Bill, even if its main proposals are not published beforehand, has been discussed in advance with certain of the interests directly concerned, and perhaps agreements reached which are subsequently embodied in certain of its clauses. Again, the outlines of the Bill have sometimes been discussed in advance with one of those Advisory Councils or Committees of which I have spoken slightly above.

Of all these courses, that adopted in the case of the Local Government Bill is by far the best. As far as possible, all proposals for new social legislation ought to be plainly formulated, and published abroad for general information, well before it is intended to introduce the Bill embodying them. This ought to be done in such a way as to make it clear that the Government is in no way committed to the details, and is prepared to hear all criticisms and objections before proceeding to formulate its Bill in a definite and committal form. If only this was more often done, much waste of parliamentary time could be avoided; measures could be introduced into Parliament in better shape; and the public would be better informed about the pros and cons of Government policy. I do not suggest that this course can be followed in all cases, but only that wise statesmen will seek to follow it whenever they can.

This, however, pushes the matter back a stage further. Before the proposals are formulated and published, as well as at the stage between this publication and the actual introduction of a Bill, there will be need for some amount of consultation with outside bodies. Sometimes, the process begins with a Royal Commission or Departmental Committee, which formulates proposals that are then discussed both in the departments and in government circles and, perhaps, with outside interests. I should like to see such commissions and committees more definitely instructed than is now the case to draw up positively the heads for any legislation they might think desirable, and empowered not only to take evidence from outside interests before formulating any proposals, but also to consult with such interests on any proposals which they might formulate, before presenting their report to the appropriate Minister.

Again, I do not suggest that this method of close consultation with outside interests before a Bill is even drafted can be universally

## *Public Administration*

applied. There will be some questions on which a Cabinet is determined to bring forward its own legislation, whatever the interests concerned may say, and to present its proposals in a finished form before the interests are given a chance of saying anything at all. But there are many more measures which could be improved, without sacrifice of anything regarded by the Cabinet as vital, by consulting as fully as possible at the earliest moment, and so reducing to a minimum the subsequent struggles in the Committee stage.

Then again, when a Bill has got into draft, it is often the best course to allow a reasonably long interval before the Committee stage begins, in order that the interests concerned may have every opportunity of raising points of substance, and having them met where they can be met, without the need for prolonged discussion in Parliament. The aim of any sensible Government will usually be to get its Bills through Parliament in the shortest time and with the least possible friction; and it will therefore be eager to conciliate critics whose points can be met without sacrifice of principle at the earliest possible stage.

The less of detail a Bill contains, the less usually will there be for the interests to lay hold on in it for purposes of amendment in Committee. But, as matters stand to-day, this does not necessarily mean that the Bill will have a smoother passage; for criticism may fasten on sins of omission as well as sins of commission. The reluctance of certain religious interests to let the School Attendance Bill go forward until the question of the non-provided schools has been settled is an obvious instance of this; for the fact that the Bill contains no reference to this question has by no means disarmed the critics. It will often be necessary for a Minister, before producing his Bill or while it is before Parliament, to engage in negotiations with outside interests on matters with which the Bill does not directly deal. Assurances on this or that point will be demanded; and it will be by no means always possible for the Minister to take a high hand.

These matters may be of two kinds—matters which will involve subsequent legislation, or at least subsequent endorsement by Parliament, and matters which are intended to be dealt with by regulation, usually at the discretion of the Minister. Matters of the first class are obviously Cabinet questions; and their treatment cannot be affected by any change in the procedure of legislation such as I have been discussing in this paper. But in relation to matters of the second class, the position of the Minister and the Government in resisting undue pressure by any particular interest would, I think, be greatly strengthened if the regulation-making power ceased to be a departmental matter, and became a function of some sort of representative Statutory Board or Commission. For it would be clearly useless to



## *The Method of Social Legislation*

badger the Minister for pledges which he would be no longer in a position to give. An aggrieved interest might still, of course, urge its supporters to vote against the Bill; but something of its present power to bluff would be taken away.

I have so far suggested certain changes in our methods of legislation and administration—and certain readjustments of the uncertain boundaries between these two—without questioning at all the present structure of the law-making machine. I am, however, like most other people who want to get things done, profoundly dissatisfied with the present working of the parliamentary system. The conditions of modern society have crowded both upon Parliament and—what is no less important—upon the Cabinet far more work than either can be expected to perform with even tolerable efficiency. A change in the form of legislation, applied to the social reform measures which are so expensive in parliamentary time, might do a little to relieve the pressure, by transferring a good deal of detail from the Bills to regulations made under them; but it would not enable Parliament to get through its business in a reasonably satisfactory way. I am making the proposal far less with a view to removing parliamentary congestion than to making it possible to provide a more flexible basis for administration and to amend what is amiss more readily in spite of the congestion of Parliament.

For any remedy for the major difficulties of the modern legislative process far more drastic measures will be needed—measures which I have no intention of discussing in this paper. We may be compelled, as Mrs. Sidney Webb has suggested, to have two Parliaments or assemblies, working side by side, with distinct spheres of action, one body dealing entirely with social and economic matters, and the other with political and international questions. We may have to assimilate our procedure in dealing with social questions far more nearly to the procedure of Local Government, and to break away, in this field, from the parliamentary tradition. We shall certainly have to devise means of relieving the Cabinet from the pressure of a mass of routine business, in order to liberate it for thinking out a policy on matters of fundamental importance. But all these problems raise far wider issues than I want to discuss at present. I have contented myself with putting forward, very tentatively, certain secondary suggestions that might be no less tentatively applied. It will perhaps be convenient if I summarise them here in order to facilitate discussion.

- (1) Wherever possible, we should put less detail into our laws, and aim at providing only a general framework, to be built upon by regulations capable of amendment without passing a new Act.
- (2) Wherever possible, the power to make the necessary regula-

## *Public Administration*

tions should not be left to the Minister and his department, but entrusted to a statutory body, broadly representative of the interests concerned, and of the public generally. Regulations so made should require the sanction of the Minister, and should in many cases lie upon the table of the House of Commons, before becoming operative.

- (3) Wherever possible, before a Bill is presented to Parliament on any matter involving administrative complications, heads of proposals should be drawn up and circulated in advance, and published; and consultations should take place between the department and the interests concerned.
- (4) Wherever possible, after a Bill has been introduced, time enough should be allowed to elapse between its publication and the beginning of the Committee stage to allow further consultations to take place.
- (5) Advisory Committees are usually of little value, except in relation to scientific matters, unless they have fairly narrow terms of reference, a perfectly defined job to do, and at least some measure of responsibility for administration (even if this responsibility is subject to the Minister's veto). In fact, an ounce of Statutory Commission is worth a ton of Advisory Committee.
- (6) Royal Commissions and Departmental Committees should be encouraged to formulate actual heads of proposals for legislation, and to discuss these with outside interests before presenting their Reports.

It will be observed that I have said nothing of the often-mooted proposal to set up a representative National Industrial Council, or some similar body, under Government auspices. I do not in fact believe that such a body could be made to work successfully. It would have to be advisory, or at any rate this is the form in which the proposal has so far been put forward. It would have to have wide, and somewhat indefinite, terms of reference. And I do not well see how it could be given a clear and definite job to do. I am not saying decisively that the time for the creation of a representative National Industrial Council will never come, though I am very doubtful if it will. But I am sure that the right line of advance for the immediate future lies in the creation not of one high-sounding body of this type, with a far-flung reference and a purpose and status by no means well defined, but rather in a plurality of less ambitious experiments in particular spheres. And I should like to see a beginning made with the entrusting of the administrative regulation-making power over Unemployment Insurance to a special Statutory Commission.

## Officials and the Public

By E. J. FOLEY, C.B.

"That man of oil, steel, and silk, capable of every delay and grace, suggestive of every sympathy and capable of none; incapable of a lie, always capable of an evasion; determined in public utility, yet not blind to private advancement, singularly addicted to justice, yet unable to suffer mercy; not a man, but a theorem, a diagram, a syllogism."—Description of a Civil Servant by W. L. George, in his "Blind Alley."

IT is at the point of actual contact with the public that the Civil Service ceases to be a name and becomes a definite, tangible thing, to be judged as are the other definite tangible things in life. It may remain, unfortunately, mysterious, but certainly is not unknown. There it "abides our censure." The top layers of the Service, those Olympians who sit guarded in Whitehall, assist at the deliberations of Ministers, the formulation of policy, the framing of Bills and the creation of Departments and Departmental heads still, to the general public, "move in a mysterious way," but nothing mysterious or divine hedges around the official who in direct contact with the public executes the policy and administers the Statutes.

No Civil Service can expect to be popular, but in any country democratically governed—*i.e.*, in which the will of the majority in vital questions finds expression in the Government of the moment—it must be trusted and respected, and must deserve to be so. It cannot hope to be popular, since its contact with the public is historically delicate and difficult, full of possibilities to the public of pain and loss rather than of pleasure and benefit. For the Civil Service is the descendant of the small band of King's Servants who did their master's business before the transfer of prerogatives from the ruling one, or few, to the people made the King's Servants the channel of fulfilment of the public will, the administrative organ of popular government. Now King's Servants were troublesome people to deal with. They always wanted something, money or goods or services, for their master, and his rights of purveyance and pre-emption and *primer seisin*, of geld and tax, of free ingress and egress, must have

## Public Administration

been more galling, because less obviously for the public service and less regulated by law than are the present activities of the Civil Service.

Contact between the public and the Civil Service occurs in various forms and for various purposes, *e.g.* :—

(1) The maintenance of peace—the action of the police. This is one of the earliest contacts, and thanks to the use in Anglo-Saxon life of the ordinary person as village constable, and of the jury system, has always with us been a relation in which the public has regarded itself as one with the police, not as oppressed by them.

(2) The processes of taxation; also, historically, one of the earliest forms of contact. This, most oppressive in primitive action, has been the avenue of approach to representative and democratic Government and so to taxation levied by order of the people's representatives and collected by public officials as agents of the people's will.

(3) The collection of information—as in the cases of censuses, property rolls, and the like. This contact increases as the share of Government in the affairs of the public grows greater.

(4) The supply of wants, such as postal facilities, means of transport and the like. These contacts mark the change in the attitude of the governing power from that of the predatory ruler to that of helper or co-operator in public welfare. A very modern form of it is the supply of information, as in the activities of the Overseas Trade Department, which does what a very short while ago we regarded as the job of the trades interested.

(5) The regulation of industry as in the functions of factory inspectors, mines inspectors, ship surveyors and the like, the extreme form being the sinister figure of D.O.R.A.

(6) Dealings with industry as a customer, as in the activities of the contract departments of various services.

Looking generally at these forms of contact between public and officials, what are the usual complaints made by the former? They fall under the heads of—

(1) Red Tape—that is, fussiness, inelasticity, inability to concentrate on the end to be attained rather than on the precise steps to be taken to it.

(2) Mysteriousness—lack of clearness, of comprehensibility, a tendency to secretiveness and fetichism.

(3) Hardness—inhumanity—lack of sympathy.

(4) Love of power and its exercise in petty tyranny.

(5) Laziness, slowness, dilatoriness.

(6) Parasitism.

## *Officials and the Public*

### (7) Lack of sense of responsibility.

It is clear that some of these complaints are, as might be expected, contradictory.

We can at once admit that for all these—and perhaps other—charges, grounds exist. Not perhaps so much as the critics think, for as pointed out earlier, the “atmosphere” is wrong—the critic starts with a traditional dislike of public officials and their activities—a dislike natural and probably salutary—and finds fuel for his fire in the virtues as much as in the vices of his victim.

Now I propose to look a little more closely at the relations between officials and the public in the field of the regulation of industry. Of all forms of government activity few have developed so rapidly as this in the last fifty years, and the indications are of further increase.

Such regulation arises from public recognition of the fact that in certain industries and occupations a public interest is involved of a kind so important, so direct and so little likely to be secured by the ordinary free play of economic forces (another name for human desires) that Parliament imposes upon some public authority the duty of regulating in one way or another the conduct of the matter.

Usually, the public interest involved is that of the health and safety of those engaged in the industry and of members of the general public who may be affected by its operations. The clear and well-known examples are our factory, mining and merchant shipping legislation.

This legislation is designed to impose sound practice from the point of view of health and safety upon the greedy or careless, whether employer or employed. The means used by the legislature to this end is a public department.

Such a department obviously operates under a double handicap, the general dislike of government action in such questions, and the definite and concentrated dislike of the particular industry for the special attention given to it. And this dislike, though nowadays to a less extent than formerly, is felt by the employed as well as by the employer. Both sides will, for particular purposes, seek the help of the public department associated with them, but the indifference and sometimes the hostility of employees to measures for their health and safety is one of the surprises which await the administrator.

In this highly-charged atmosphere, how shall the public official guide his path? Few questions in public administration are more important or more delicate. For, however we may define the objects of Democracy, industrial organisation seems likely to occupy, more and more, the attention of democratic governments.

Since the fourth decade of the nineteenth century there has been

## Public Administration

a tendency, steadily strengthening, to substitute for the idea of the State as authoritarian, the idea of the State as a public service. The needs of centres of population as the industrial revolution drew people into larger and larger aggregates, giving rise, *e.g.*, to health and education services, are examples of the process. The administrative work of the government has increased until it is much the greater part of its duties, and as the public cannot administer directly, public officials are their agents for the purpose.

Legislation has shown a similar change. No longer does Parliament occupy itself mainly with laws enacting or maintaining rights or forbidding wrongs. Most of its time is given to the creation of new organisations for public services and to regulation of the relations of citizens with those organisations. Mr. Burns points out very clearly in his book, "*Democracy*," that in this way "*authority*" is coming to mean only the influence of expert knowledge or of common agreement.

These changes clearly bring us to a view of the official very different from that held even so recently as the beginning of the nineteenth century. More and more must the official be regarded as the co-operator, the adviser, the expert, in certain forms of social service. Less and less can he be regarded as the wielder of a brief authority giving orders to those less happily situated. The official must and does tend to be less aloof, less dictatorial, less superior, less given to setting his own pace, while for his part the ordinary man must take a greater and greater share in the day to day working of the administrative machine.

It is interesting to see how in the relations between industry and the public official this change is occurring. Probably the most important single event in legislation touching the relations of public officials and industry was the appointment of factory inspectors in 1833 followed by the first mines inspectors some ten years later. Before this the central government, on the lines of the authoritarian State, had issued orders from above and trusted to the obedience of subjects to carry out those orders. When the State decided that it would appoint persons to see that in fact those orders were obeyed it did two things of very great importance. First, it took the initial steps to make its orders effective, and second—and this was the greater change—it brought into the relations between government and industry the independent impartial experienced person, tending on the one side to advise the Government what it could reasonably require from the industry, and on the other to interpret to industry what was couched in the ambiguous language of legislation, the necessity of securing certain public interests.

These inspectors, working in daily contact with industry, trained



## Officials and the Public

in the processes it uses, become experts, at all events in its pathology, swift in diagnosis and fertile in suggested remedies. In contact with them industry learns that "the Higher Power than they can contradict" is represented by perfectly accessible and tolerable creatures, often human, always possessing at least the outward semblance of humanity. The mind which lies uneasily dumb beneath the shower of regulations, so clearly drafted as to appear mere jargon, or of official letters cold and stilted stirs to indignant activity in face of a human critic, at sound of a human voice, and discovers that what can't be endured can often be cured by reasoned argument. From that to the stage of friendly consultation is a short step, and at the present time no one could well measure the extent to which in factories and in the mining and shipping industries, public officials give really valued co-operation within the limits of their duties—and sometimes beyond.

We cannot say that the relations between public, official and industry are yet the perfect partnership, but it is probably not far from the truth to say that the most valuable work done in relation to industry by public officials to-day is not police work or compulsion but suggestion and co-operation.

There are dangers in this tendency. One which has been noticeable of recent years is a tendency to look upon the inspector as *responsible* for the particular aspect of health or safety with which he has to deal. There are instances of neglect clearly traceable to the feeling that the inspector is a sufficient safeguard against the faults of the staff. This is wrong, for nothing can relieve the management of an industry of its responsibility, but the danger is obvious wherever inspectors are so multiplied as to make inspection intense, or where regulations go too much into detail.

From this hurried survey we return to consider once more how in relation with industry the public official can guide his path.

So far as legislation affecting industry is concerned, I cannot improve on what was recently submitted to the Committee on Ministers' Powers by the representatives of a great industry.

"The essentials to successful legislation correspond with the elementary principles of democratic government. The legislation should be based on full knowledge, practical, economic, and technical; it should commend itself to the general body of those upon whom will rest the obligations which it involves; it should be capable of adjustment with the development and changes that take place. It is generally recognised that there is a definite practical limit on the power of Parliament to legislate without delegating powers to legislate on details."

The memorandum refers to the substitution of departmental

## *Public Administration*

control by regulations for the required standards and hard and fast rules imposed by Act of Parliament, which had had disastrous reactions.

The memorandum goes on to say, with that fine economy of praise to which the public official is so accustomed, "that, on the whole, departmental control through regulations has worked as well as could be expected, and that, on the other hand, where Parliament has been specific, harm has sometimes been done by rigidity."

Descending from legislation to administration, it may be said that the faults fairly charged against public officials in their relations with industry can nearly all be traced to lack of knowledge and lack of imagination.

Therefore the public official must by all means seek knowledge, and "with all his getting get understanding," on which alone can be based the sympathy which is useful. The public official can get this knowledge through his professional colleagues, through advisory committees of the industry, through the various associations of the industry, through personal contact with members of the industry who are usually only too glad to help, through seeing for himself what goes on in the local areas where the industry flourishes, and through exerting his imagination tirelessly and everlastingly. The more difficult problems with which the industry is faced in relation to the public official should be worked at, and agreed solutions found by, small committees of the industry with such help as they may desire from technical officials of the public department concerned.

A reasonably humility is a great asset to a public official dealing with industry. A glib tongue and an official position lead many to think that they know better than members of the industry itself how to deal with the problems which its relations with the government cast upon the industry. It is well constantly to remind oneself that facility in the use of words does not necessarily imply knowledge of the uses of things. It is interesting how often among people so comparatively well educated as public officials an air of superiority is to be noticed in contact with industry. The famous letter of Cromwell to the Rump after the battle of Dunbar: "I beseech you in the bowels of Christ to conceive that you may be mistaken," should be constantly in the minds of officials.

The public official in contact with industry must convince the members of the industry of his fairness, his accessibility, his humanity, his practical outlook, his patience, and his readiness on appropriate occasions to defend his department and himself. The members of industry will forgive stupidity much more readily than they will support any impression that the officials are being what is known as "clever."



## Officials and the Public

Public officials should strenuously avoid the limelight in their relations with industry. If any good and useful thing is done in the course of those relations the industry itself should have the credit for it, as indeed probably it deserves.

Good humour in the face of attacks and opposition is essential. Attacked, the public official will be, however ably and sensibly his job is done, but he will usually be attacked in general terms.

The public official should strive for clearness and simplicity in all that he does in contact with the industry.

Wherever possible regulation in detail is to be avoided. Nothing is so irritating and cramping to a live industry, and few things in the end are so troublesome to the public official himself.

Compulsion should always wait upon persuasion.

Promptness saves many irritations.

The manner of personal communications is very important.

The methods of consultation with organised interests before action should now be pretty clear. For major questions advisory committees representing every interest in the industry should be freely used. For less important questions small *ad hoc* committees of members of the industry with such help as they may desire from officials should be asked to work out the solution to the particular problem.

The senior public officials should place themselves in a position in which they can always ask individual members of the industry for advice or help in matters which are troubling them. There is never any difficulty in getting such help once the members of the industry are satisfied that the official is trying to do his job sensibly.

As long notice as possible should be given before the coming into force of new regulations even when they have been agreed to. Inspectors who are to enforce the regulations should also be given well ahead of the date of enforcement full and clear explanations of what is meant by the changes. Successive alterations in regulations at short notice, however sensible the alterations may be in themselves, irritate and confuse industry whose members have many things to do besides coping with official publications.

Uniformity in enforcement of regulations is vital, although difficult to secure, and I think very few of us succeed in keeping the officials outside headquarters completely in touch with policy and decisions. More personal contact between headquarters and officials in the provinces is most desirable.

From what I have said above can be easily seen what in my view is necessary in the way of "continuous contacts." As regards "explanation after action" it will be gathered that I regard the necessity for this as indicating a failure in maintaining continuous

## *Public Administration*

contacts and in properly employing methods of prior consultation. If explanation after action is necessary it should be given as soon after action as possible, and should be given frankly and fully.

By following methods such as these we may reach the position in which, in contrast to the quotation which appears at the head of these notes, it may be said of the relations between officials and industry, as has recently been said in the Press in one instance, that they "gave one an impression of thoroughness and of friendly co-operation and were suggestive of the benefits to be obtained by intelligently directed joint efforts of trained officials and expert technical and business men."

tation.  
n after

osition  
ead of  
ls and  
e, that  
lly co-  
ed by  
t tech-

## Officials and the Public

HERMAN FINER, D.Sc. (Econ.) Lond.

*Lecturer in Public Administration, London School of Economics*

THIS is the problem of the twentieth century: the relationship of officials and the public. Hitherto political scientists have concerned themselves with the relationship of parliamentary bodies to the executive, all in the background of classical democratic theory, but since the extension of State activity, experience has forced upon them the recognition that these bodies are only parts of the apparatus whereby the will of the people is brought to bear upon the executants and inventors of policy. It is recognised now, for reasons we indicate presently, that *direct* contacts between citizens and officials, whether in their central or local activity, are inevitable, necessary, and desirable. In this discussion we consider the general problems involved; and as requested by the Editor, we give the results mainly of *foreign* experience, taking examples from France and Germany. But we do not pretend to answer the problems: the necessary groundwork has yet to be done. It is useful, however, to indicate what the problems are.

What we mean by officials we most of us know: they are men and women professionally engaged in carrying out the sovereign resolutions of the central and local parliaments. Given the extent of the modern state in terms of territory, and its scope in terms of activity, given, further, the prospects of the expansion of this activity, the official's power is tremendous. What, however, do we mean by the public? We must exclude the members of the parliamentary bodies. These have the regular rights of control and command: their problems have long been studied, and it is chiefly because they have proved inadaptable or, at least, unready, to the tasks of the modern State, that the direct relationship of officials and public has developed into a problem of the first magnitude. We must take the public to mean the non-official and non-parliamentary body of citizens; or, all the *clients* of government subjected to various obligations which they owe directly to officials and entitled to the receipt of various services directly from them. It is this aspect of public affairs which is important and becoming ever-more important, while the parliament-

## Public Administration

executive aspect maintains only a minor and unprogressive interest.

Why is this? The ultimate causes are two: the nature of parliamentary bodies and the nature of State activity. If we take continental experience alone we learn, at once, that parliaments, however large, are not comprehensive enough in representative quality,<sup>1</sup> that parliaments, organised as a public forum for the ventilation of grievances, the incitement of the public, and the passage of general resolutions, are deficiently organised for guidance of the executive,<sup>2</sup> that Cabinets are, even now, at once too small and short-lived to be appropriate channels of influence between parliaments and the Civil Service, and that parliaments are improperly schooled, deciding by weight of numbers instead of being guided appropriately by scientific knowledge of the technical nature of the service they regulate.<sup>3</sup> Hence the method of petition to parliament has become almost completely atrophied, and individuals and associations feel obliged to bring their needs to the attention of Government otherwise than through the formal channels, the only ones envisaged by the schools of Rousseau and John Stuart Mill.

Yet were it not for the peculiar qualities of State activity we might be content with simple parliamentary contact between public and officials. Its essential purpose is to overcome the excessive decentralisation of economic and social activity in an individualistic society. On the Continent this purpose was never shaken by the doctrines of *laissez faire* to the extent experienced in England. In Germany, the school of the Cameralists, that is economist-cum-administrators, supported, and were supported by, the absolute kings, and Adam Smith's doctrines were overthrown within twenty years of their first enthusiastic reception.<sup>4</sup> In France neither the organisation nor the spirit of what is to-day called *étatisme* were shaken by the successive waves of revolution and reaction. Everywhere now, however, State control is the order of the day, and analysis shows that it has at least three characteristics which impose new forms of political organisation on the modern State.

(1) The economy of State control is obtainable only when a great scope of services is managed in a large area on uniform principles by a relatively small number of officials. Otherwise, with many

<sup>1</sup>Cf. the analysis of the German Reichstag and the Prussian Landtag from 1871 to 1924 in Kamm: *Abgeordnetenberuf und Parlament*, and Gilles Normand, *Les Avenues du Pouvoir*.

<sup>2</sup>Though this is better, as regards mere organisation, in France and Germany than in the British Parliamentary system.

Cf. Pierre, *Traité de droit politique et parlementaire*, and *Geschäftsordnung des Reichstags*, 1922.

<sup>3</sup>This topic is discussed in my *Representative Government and a Parliament of Industry*.

<sup>4</sup>Cf. Adam Müller, *Elemente der Staatskunst*, 1813, the systematic expression of this trend of victorious thought.

## Officials and the Public

officials and much differentiation of service, one approaches the previous condition of non-control and excessive decentralisation, which State control was introduced to remedy. The inevitable result is *impersonal administration*; that is, the settlement of cases by reference, not to all the differentiating details of time, place, and person, but by reference to standards made upon what is *assumed to be human nature*, to averages, and scales ranging between defined minima and maxima. In other words, the benefits conferred upon society by state control, which is the reign of extensive uniformity, is offset by numbers of individual disadvantages. This effect of State enterprise has long been observed; it was noticed by Wilhelm von Humboldt in the Prussia of 1790,<sup>1</sup> it was observed by Neckar in the France of the same era.<sup>2</sup> The only remedy is frequent and effective reiteration of the fact that personal and local circumstances alter cases; and that leads to the direct collaboration<sup>3</sup> of public and officials. Parliaments are not, ought not, and cannot be, organised for functions of this nature.

(2) State services are *monopolistic*, that is, in most cases, the citizen cannot, sometimes he is entirely forbidden to, find an alternative source of supply. The power is the power of the State: immense, unavoidable, sovereign. Although professional ethics may check any tyrannical, lazy, indifferent tendency of the official who, for the time being, possesses this power, in the known state of human nature external controls are necessary, to prevent the perversion of public power to private satisfactions. Two things are necessary: to produce a continuous sense of accountability and to reduce the popular feeling of unsympathetic domination by officials. Parliaments attempt this, and in some degree succeed: committees of investigation, questions (which are on the increase in every legislative body), interpellations, budget debates, and personal visits of members of parliament (most frequent in France), serve to maintain in officials a sense of doom and to rectify obvious instances of maladministration. Yet the apparatus is clumsy; Parliament does not sit all the year round, it is very properly busy with other things, and its action cannot be *timely* in all matters. Other direct relations are obviously indispensable, and, in fact, are in the course of sporadic creation. Nor is the Civil Servant obliged like the ordinary business man to solicit business; there is no price-relationship to make him ever anxious to find ways of getting more customers and of pleasing them.

(3) Officials are restricted in their inventiveness by limitations contained in statutes. If they become too inventive, and this harms one

<sup>1</sup>*Über Wesen und Zweck des Staates*. There is an English translation of 1854 under the title, *The Sphere and Duties of Government*.

<sup>2</sup>*L'Administration des Finances*, 1793.

<sup>3</sup>There is already a school of *collaboration* in France: Cf. Bernard Geny, *La Collaboration des particuliers avec l'administration*. Paris, 1930.

## Public Administration

citizen though it benefits a dozen, they are liable to penalties which, in England, fall upon them personally, in France<sup>1</sup> and Germany<sup>2</sup> fall upon the State. The only way in which a legal extension of the scope of civil service inventiveness may come about is by an amendment of the statutes empowering the officials. This may be encouraged by properly constituted bodies collaborating with the Civil Service, which may remove the belief that civil servants are mainly interested in adding to their powers, and prompt official inventiveness beyond its spontaneous expression by pointing to a variety of needs.

### II

These and other considerations have caused the public and officials to come into direct contact in two ways: in the making of law, and rules, instructions, and standards which amplify the law and give it administrative application, and in day-by-day execution of the law. We now consider the problems under these heads, giving what information is available on the forms and methods of co-operation regarding each.

1. *Law and Rule Making.*—The apparent initiative in the making of law most usually issues from the Cabinet Ministers, who are the agents of their political parties, and who realise the plans which have been made by social philosophers, scientists, and interested associations, and almost always really from civil servants in the particular department or departments immediately concerned. But no State to-day is content with this simple arrangement, since the interests concerned are too many to be satisfied without their own direct intervention, and the knowledge at the disposal of the Civil Service, whether in the localities or at the centre, is too scanty for appropriate legislation. On the Continent their training is mainly in law, private, constitutional, and administrative, with only a smattering of economics and social science and history.<sup>3</sup> Hence a variety of devices have been adopted for bringing the public into direct contact with officials in the preparation of laws. These fall into, roughly, two classes: informal and formal; in the first the departments tolerating approach, in the second, the Government having made a formal constitution and scope of power. In the (a) informal institutions we find the deputation and the "Lobby," in the formal (b) departmental advisory committee, bodies like the Chambers of Commerce, committees of enquiry, and councils like the German Economic Council and the French National Economic Council, which group together representatives of the sections of the public on a basis different from that of the geographical constituency.

<sup>1</sup>Cf. Duez, *La Responsabilité de la fonction publique*.

<sup>2</sup>Schellhorn, *Die Amtshaftung*.

<sup>3</sup>The subject of education of officials is very fully treated in my forthcoming book, *Theory and Practice of Modern Government*.



## Officials and the Public

(a) I find no special regulations regarding deputations or the "Lobby," excepting in Germany, where Ministers are required to acquaint the Foreign Office if any negotiations of theirs (e.g., in regard to quarantine, import regulations) might affect foreign relations. Apart from this the individual Minister is at liberty to decide whether there shall be direct contact between interested groups and himself and his officials. The deputations are usually noticed in the Press, and if they are of general importance or concern a large number of people, the department issues a summary account to the Press. It is desirable to encourage deputations; it is as desirable that an announcement of every deputation with the names of the organisations concerned, their business, and the government reply, should be made. They take time, and may be embarrassing, yet the authority of the law at a time when law must needs raise passionate advocacy and protest and produce so much good and so much pain, is worth some extra expenditure on under-secretaries, and the trouble to create a protective ingenuity equal to the embarrassment. In both countries a member of parliament frequently leads the deputation, and is accompanied by the secretary of the organisation. It would tax the brain much to elaborate a series of rules which should secure at once encouragement of deputations and publicity. Their justification has been admitted in American controversies regarding the "Lobby," when the question of the registration of authentic representative organisations has been considered.<sup>1</sup>

(b) The formal institutions have grown out of departmental recognition that official knowledge was seriously limited, and that the law would have the more authority and less the character of unjustified imposition if collaboration with expert and interested outsiders were established. Almost every country has in one or several departments permanent advisory bodies.<sup>2</sup> In France, among the most important are *Conseil Supérieur de l'Instruction Publique*, the *Conseil Supérieur d'Hygiène Publique*, the *Conseil Supérieur du Commerce et de l'Industrie* and the *Conseil Supérieur du Travail*. These are composed partly of experts, nominated by the Minister (many retired officials being nominated) and others elected by certain named associations, as e.g., the *Association Générale des Médecins de France*. Care is taken to secure wide representation in terms of the interests concerned, but also territorial representation. They are simply advisory bodies, which function not when they want to, but when they are asked to by the Minister. Since they are large bodies, they do not sit con-

<sup>1</sup>Cf. Herring, *Group Representation before Congress*.

<sup>2</sup>Those operative in the British Departments may be sought out in the *Whitehall Series* on the Departments, the occasional studies in the *Journal of Public Administration*, and in the evidence before the Departmental Committee on the Departments and the Law.

## Public Administration

tinuously, but set up a sub-committee for this purpose. It is clear from experience that their effectiveness depends upon: (a) free election by their organisations; (b) provision for territorial differences; (c) the readiness of the official hierarchy to call for their opinion; (d) the existence of a permanent nucleus; (e) the recognition that their work is to produce a statute, and not to meet for the enjoyment of leisured discussion.

In the German Reich the principal advisory committees are:—

<i>Ministry of Labour</i>	{	Physicians and sickness funds.
	{	Wounded soldiers and care of orphans, &c.
	{	Labour legislation.
	{	Urban housing conditions.
<i>Ministry of Transport</i>	{	Rural housing conditions.
	{	Canal and river navigation.
	{	Aircraft.
	{	Motor transport.
<i>Ministry of Food and Agriculture.</i>	{	Industrial technical matters.
	{	Railways.
	{	Animal foodstuffs.
	{	Manure.
	{	Technique in Agriculture.
	{	Marshes.
	{	Food Research.
<i>Ministry for Economic Affairs.</i>	{	Viticulture.
	{	Fruit and Vegetable Culture.
	{	Forestry.
	{	Wood.
<i>Ministry for Economic Affairs.</i>	{	Tariff Committee.
	{	Imperial Inspection of Transport Insurance.

Similarly in Prussia.

What do these committees do, and how are they composed? Let us consider one or two examples. (1) The Aircraft Council, founded in 1924.<sup>1</sup> Its duties are to give advice in especially important problems in the field of air transport. The chairman is chosen from among the officials of the Ministry of Transport by the Minister. The Minister also chooses the other members. Further experts may be appointed at need. In fact, the council is composed of representatives of the aircraft industry, the air transport firms, air transport employees, of the Federation of German Manufacturers, and various experts.

(2) In the Council for Fruit and Vegetable Production there are 22 members drawn from the various economic organisations directly con-

<sup>1</sup>Cf. *Verordnung über die Änderung des Luftverkehrsgesetzes*, etc., February 5th, 1924.



## Officials and the Public

cerned with production and others concerned in marketing and preserving, and consumers are also represented.

These councils are called in for advice upon the making of new laws, the making of rules and orders, and the general administration of problems as they arise.

In both France and Germany it is also the practice to notify the public in general and the special interests in particular that a law is about to be made—the effect, as in England, is to produce an immediate crop of comments and claims from various associations.

Both Germany and France have proceeded beyond the establishment of departmental advisory councils to the creation of general economic councils comprising large numbers of representatives of various industries and of consumers. For experience of the departmental arrangements show that when important and comprehensive matters of policy are under consideration so many interests are concerned that a widening of the representative and expert basis is necessary. The experience of the German councils<sup>1</sup> shows that such bodies are most useful when they dispense with the full assembly as a working body, and confide their work to committees small enough to act in a businesslike fashion and yet able to bring before them a large number of witnesses from panels already carefully prepared. They are helpful in the highest degree to the officials whose business it is to prepare plans for the Ministers, although the officials are plagued with a great deal of clerical work and must find time to meet all the various bodies concerned with their stimulation.

In the matter of committees of enquiry the English have been able to give hints to the Continent, and the English method of Royal Commissions has so impressed Germany that provision is being made for their equivalent in that country. We have nothing to learn from the Continent in this matter, excepting perhaps, this, that the Continent has preferred to create *permanent* bodies of enquiry rather than temporary bodies like our Royal Commissions. The permanent advisory councils have this great advantage, that if their findings are obscure or disputed, an authoritative answer can be obtained from the body which made the original recommendations.

The Chambers of Commerce, Industry, Labour, Physicians, and so forth which abound on the Continent, are not, like the bodies which in England bear these names, without formal status. A series of laws and decrees determines their composition and functions, and they are recognised as institutions whose voice ought to be heard in matters of law-making and administration. They have a long history and play an important part in keeping officials in touch with the practice of industry. The principal statutes regulating them in France are

<sup>1</sup>Cf. Finer, *Representative Government*, and for France, cf. Lautaud and Paudeux, *La Représentation Professionnelle*, 1927.

## Public Administration

those of April, 1898, and February, 1908. Each *département* establishes a Chamber of Commerce. Their advice *must* be asked upon rules relating to commercial usages, taxes designed for transport services in their area, on the utility of public works and the ways and means to pay for them, on the prices of prison-made goods. They actually administer stock exchanges, docks, markets, industrial museums, &c. They obtain funds out of public taxation. *Inter-départemental* federations are possible, and many have come into existence. The really important feature of such bodies is that they have a *status*, and the departments of State, whether operating at the centre or in the localities, always reckon with them. So also in Germany, where their powers in relation to the Economic Council have raised acute controversy, since they are so important.<sup>1</sup>

What merits have these arrangements, and what principal difficulties? Their merits are that they mould the law and regulations to the actual nature of social life, and at once obstruct the mere realisation of warm but vague moral enthusiasm as it enters the administrative departments through Ministers, and continually recall the administrative and technical experts of the Civil Service to a sense of public realities. The great difficulties are two: there is the urgency of some measures. *More important, however, for the official is his obligation to stand as the representative of the vast unrepresented anonymous public.* However representative the deputation or advisory council it is not and cannot be completely representative. The official is compelled to weigh its advice and the interests of its several sections against the interests of the masses of individuals who will be subject to the laws and rules recommended. For as political scientists are increasingly aware the problems of statecraft are not problems of an entity called the State as against an entity called the Citizen, but they are problems of benefiting some groups at the expense of others. Some groups may be represented, but the Minister, or in other words, the official, represents the community, that is to say all the other interests which, though not vocal, exist, and though not articulate have needs as urgent as those which speak in the councils of State. Hence, though there should be the warmest encouragement, and every formal provision for consultation, there cannot but be the reserve power to reject or modify the recommendations. For when all technical considerations, and all special groups interests have been weighed, there still remains the ultimate moral significance to attach to them; that is the business of the Minister on the basis of the majority principle, and the official cannot avoid acting for the Minister on the same basis. *Salus populi . . .*

In both France and Germany parliamentary arrangements make

<sup>1</sup>Cf. Finer, *op. cit.*, p. 57ff.

## Officials and the Public

it possible for the civil servant to benefit from frequent contact with the leaders of industrial and social life. The most important stage of a bill is, there, the committee stage. The committees are aided by expert civil servants from the departments responsible for the bill, through the power of the government to be represented and helped by "government commissioners." As the committees in *informal* sessions meet representatives of the interests concerned, the officials benefit also.

2. In the execution of the law the official himself is not infrequently obliged to come into direct contact with the citizen often personally, more often by writing. Two problems arise: the extent of lay co-operation in the actual administration of the law, and the nature of the personal and written contact between officials and public.

Disregarding territorial decentralisation, which is one way of producing personal and local adaptability of administration, let us concern ourselves a little with decentralisation by function, that is arrangements whereby the State, instead of taking over the management of a service by its own officials, either permits administration by private citizens on the basis of rules laid down by the Government, and with rights of inspection, or where it associates lay members with administration by officials. Thus, by a French law of 1850 private penitentiaries for young delinquents may be established; they require the sanction of the State, which lays down conditions of hygiene and good treatment; by laws of 1912 and 1921 similar arrangements are made for the care of children who have come before the courts but have been acquitted since they have been imprudent rather than criminal. In 1919 a law permitted private industrials and merchants to establish and manage technical schools, to hold examinations and award State diplomas. Then in other cases there is a direct mingling of public and officials in the administration of workers' pensions (law of 1910), and in the administration of social insurance (by the law of 1928) somewhat similar to arrangements in Great Britain between the State and the approved societies in health insurance. In all these cases the State has conceived the main lines of collective control, and if they are likely to be maintained it sanctions the body of people who are prepared to assume the responsibility, and then supervises the observance of its principles. Thus, it hears and determines appeals regarding elections to Chambers of Commerce, it settles the plan of study in the free technical schools, it supervises the qualifications and recruitment of the personnel, as in these same schools, and continuously inspects their activity.

A similar development proceeds in Germany. Of special importance are the Parents' Advisory Councils which, in Prussia,<sup>1</sup> are set up

<sup>1</sup>Cf. *Ministerialerlass: Elternbeiräte*, 5th November, 1919.

## Public Administration

for each school. Their purpose is to promote and strengthen a good relationship between school and home, and to facilitate and guarantee that reciprocal influence. They are composed of parents elected for two years by the body of parents. They must meet at least twice a year; their chairman may call them more often at need.

It is clear that a way out of apparently inevitable bureaucratisation lies in such directions.

Now there still remain certain questions arising out of the ultimately unavoidable personal and written contact of officials and public. Many problems are wrapped up in the question of the legal responsibility of Civil Servants for damage to citizens committed in the course of their service. The English doctrine has been that the official can best be kept in a state of careful and liberal administration if he is made personally liable for tort. The Continental doctrine is that no one has the right to expect more than an average capacity on the part of officials, and that if the work imposed upon them for the benefit of the public should be more than their efficiency can manage, or if the exigencies of the service over which the individual official has no control inevitably put him into a situation where he causes damages to a citizen, it is fair that not he but the public in the form of the Treasury should pay. The psychological foundations of these different doctrines have never yet been examined. The one seems to me to be inhibitive of enterprise; the second better adapted to the positive tasks of the modern State. But that is a subject of sufficient complexity for another paper.

Next is a complex of problems arising out of the principle of equality in the public service. We have already observed that public administration does not exist to make a profit, but to render services wherever they are most urgently needed.<sup>1</sup> Inevitably the principle of equality imposes its demands upon officials: they must be fair, they must favour no one above another, and are only to be guided by the equal application of the law. This principle is not stated in any British statute, nor do I believe it is a common law principle, but it undoubtedly weighs powerfully in the public mind. In France and Germany the principle is actually declared; the German Constitution says,<sup>2</sup> "All Germans are equal before the law . . . . Public privileges or disadvantages of birth or rank are to be abolished;" while in France the jurisprudence of the *Conseil d'Etat* is thus summed up by Jéze,<sup>3</sup> "All individuals fulfilling certain conditions, fixed in a general and impersonal manner by the organic law of the service (law, rules, general instructions) have the legal power of demanding the service which is the object of the public service: this is the principle of the

<sup>1</sup>Cf. Finer, *The British Civil Service*.

<sup>2</sup>Art. 109

<sup>3</sup>*Les Principes Généraux de droit administratif*, vol. iii (edn. 3), p. 20.

## Officials and the Public

equality of individuals in relation to public administration." These principles exclude partialty: do they exclude adaptability? They do not. Both in Germany and France scope for discretion is allowed, this discretion itself being subject to the principle of equality, which means difference of treatment only on reasonable, but not arbitrary, grounds. As State activity increases this principle of fundamental equality with appropriate difference becomes of more and more importance in the relationships of public and service. It excludes differences of treatment which are liable to creep in, such as political antagonism, sex preferences, religious and class differences, but the very serviceability of official action requires that there shall be differences of treatment according to the nature of the time, place and person. One has to observe the difference so ably made in France by the *Tribunal des Conflits* and the great jurists like Laferrière, Haurion, Teissier, and Jéze, between *personal* acts and *service* acts: "The *faute de service* results from a service badly rendered, an order badly done, misunderstood, imprudently executed, but still having in view, the operation of the service alone; the *faute personnelle* consists of crimes, frauds, grave faults, where appear the *personal passions of the agent, rather than the difficulties and risks of the function.*" (Laferrière, II, 189.)

Thirdly, the problem of inducing the public to look upon officials as their willing servants, and of controlling the tendencies to irresponsible government, has caused much concern in Germany. The Constitution declares the rights of the public very clearly:<sup>1</sup> "Every German has the right to make requests or complaints to the competent department or representative body in writing." In fact, even before this declaration of rights was made, the public was very ready to approach officials, especially the local burgermeister who in some cases is looked upon as a veritable Providence. Why not? It is part of the general code of duties of German officials that "in their intercourse with the public officials must always be courteous. They must avoid roughness and apathy; they must be friendly and obliging; must try to further the affairs of all who appeal to them, and readily give advice and information to persons who are ignorant of the law and official routine, providing that official duties or the legitimate interests of others are not opposed thereto. Quiet and circumspection must be observed, since procedure may easily awaken an impression of violence and prejudice and make difficult the execution of business. The mode of dealing with the public also depends in a certain measure upon the educational level and the breeding of the individual, and the right way here will be indicated by the natural tact of the official."<sup>2</sup>

It would be possible to extract from the decisions of the *Conseil d'Etat* a similar set of injunctions for France. Such injunctions are

<sup>1</sup>Art. 126.

<sup>2</sup>Brand, *Das Beamtenrecht*, pp. 427, 428.

## Public Administration

very urgent, since an aggrieved citizen is faced with a dilemma: either to suffer rough treatment without the possibility of turning to an alternative source of supply of the service, or to make a formal complaint and be obliged to go through a wearisome course of correspondence long after the first smart has passed away.

Fourthly, there is the problem of written communications to the public. The number of jokes on this score exceed, perhaps, those based upon the parsimony of the good Scotchman. They are often deserved. The language of official communications is often antiquated and always stilted. Can nothing be done to root out common faults? In Germany special attention has been paid to this subject; and, perhaps, indeed, it was required. Hundreds of minutes and a specially significant one of June, 1897, as well as tradition, regulate this subject. A critic and reformer of the highest authority recently observed that among officials the principle of *accuracy* was prior to the principle of *speed*, but it was forgotten that speed (or timeliness) is often a component part of accuracy (or appropriate action). Every department has a "simplification official"—to attend not only to questions of diction, but to avoid circumlocution of all kinds. Officials are provided with a booklet called "Principles of Good German in the Written Communications of the Departments."

Other questions like that of secrecy must be left to another paper.

\* \* \* \* \*

What of the public's attitude to the Civil Service? This is compounded of some curiously mixed ingredients. The public is hostile to the official, it is afraid of him, misunderstands him, occasionally admires him. It is hostile to the official because at some time or other as an inspector or a taxpayer or a medical officer, or what not, he comes to take away, not to give—it is in the nature of his task to limit one's freedom and property. This is not done for himself, though he may feel some satisfaction in doing it—he may feel powerful, stern, a *deus ex machina*, yet in the end the deed redounds to the benefit of certain individuals and groups in the distant background. One experiences the deprivation, but the social benefit is not so easily discernible, just because it is social and diffused rather than immediately personified. The public fears the official and the extension of official activities, because it feels there is no chance of appeal, no alternative to official judgment. It cannot understand, without careful tuition, why officials receive pay and pensions, why they are needed at all. All other businesses explain themselves. In Germany advertisement is less necessary than in England, because the activity of officials has

<sup>1</sup>Dr. Arnold Brecht, of the Prussian Ministry of Finance, Civil Service Division, in *Die Geschäftsordnung des Reichsministerien*, 1927.



## Officials and the Public

for over a century been an honoured part of the general civilisation to which all are accustomed. Even so, the German civil service associations do not maintain a sulkily silence, but keep themselves well in the public eye, both inside and outside Parliament. A few among the public everywhere recognise the significance and difficulties of the official's function; ought not steps be taken through every medium of publicity to overcome the hostility and distrust?

Supposing one were asked for a civil servant's vindication in relation to the Public, having regard to what we have already said, what would it be? As follows: "I possess great power, and I may do you harm. But I do not act for myself but for the public good as determined by Parliament, and often by direct representations from the public. Nor do I act arbitrarily, but according to rules which are equally valid for everybody. Not my will prevails but the will of other members of the public. If therefore you quarrel with my powers you should seek not the immediate executor but the ultimate creator of them. However, some discretion is necessarily left to me, and I know that I ought to exercise this with all politeness, understanding, and the least amount of necessary pain. Like all men, like you, for example, I am sustained in my work by my pay and other rights, my zeal is not consistently at its highest level, and I have alternations of mood, sometimes I am alert, sometimes slack, yet I will not deny my services because they are troublesome to me and just a little beyond the minimum which will avoid a complaint, but positively seize opportunities of helpfulness, fitting the judgment carefully to the case. Your own roughness, accent, social standing may affect me, but I will try to avoid letting them improperly bias my reasoned judgment. Things would go better if you would co-operate with me by recognising my difficult position and treating me with sympathy instead of hostility, by reading all the rules which you are supposed to read and keep before you fly into a temper because mistakes have occurred, by willingly co-operating on the various committees which are and should be established for collaboration. Even with all the arrangements and personal control which conduce to smooth working of the service and satisfaction of the public, I may still suffer from unsympathetic treatment because ultimately I am the representative of the State—that is the *whole of the public*! You will of course enjoy my power and applaud it when it does you some immediate good: I must beg you to recall the significance of my work when I have to weigh the rest of the public against you. I at least am a member of a body which is neutral in the State, or rather helpful to all. You cannot buy more of my services if you happen to be well off, you will not get less if you happen to be badly off; you will not be passed over if you belong to one particular party or given special privileges if you

## *Public Administration*

belong to another. We represent the unity and collective control of the State. I give the whole of my time to the work, and am as entitled to my pay and pension and other rights as any other worker. If my services are intangible or misunderstood they are nevertheless distinct and important."

That is the kind of teaching which has to find a place in the schools and in public life, and the official, like everyone who is attacked, can find help only in learning to speak for himself. The public which is too selfish to construct his defence must be button-holed.

## The Personal Relations of Officials with the Public

By G. H. STUART-BUNNING, O.B.E., J.P.

THE British civil servant has a good opinion of himself and no wonder for, with the possible exception of the London policeman, he is the most bepraised person in the world. Cabinet Ministers write forewords when he publishes a book, in which they extol him. They go to dinners and recount the obligation they and the country owe to the Civil Service, and if the recipient of all this laudation sometimes wishes it was translated into terms of salary it is only a passing thought, to be instantly dismissed as unworthy. Nor is this all. The Customs man is scarcely a popular person but if, at Dover, the officer desires to open just the one bag of which the key is mislaid and the traveller expresses himself in the usual manner, someone is sure to reprove him with tales of the barbarities of Customs officers in New York or Riga or some other far-off place.

The greatest tribute was paid by an eminent judge, who recently wrote a whole book to show that the civil servant was slowly but surely getting everything within his grasp. So alarmed was his Lordship that he called upon his countrymen to get up and do something about it, but his only concrete suggestion was that the work should be taken from the Civil Service and handed over to members of his own trade union. Unfortunately, as they are always expensive, often dilatory and not always efficient, only a few people like Mr. Harold Cox got at all excited, and the civil servant will apparently go on doing all the things his Lordship says he should not. Indeed, such is the hold he has that when the Institute of Public Administration gave a dinner to Colonial Premiers and delegates to the Indian Conference the Premiers and the British Ministers could only talk of the perfection of the service, and it was left to the two



## Personal Relations of Officials with the Public

Indian delegates to talk on the business of the gathering; and very well they did it, too.

Of course, there are brave people who venture, in moments of exasperation, to criticise even the civil servant. No one really loves the Inland Revenue, rude things are occasionally written anent employment exchanges, and there is always the Post Office counter clerk, but these are comparatively rare, and no civil servant ever loses any sleep over them.

Yet it may perhaps be asked whether we should not pay a little attention to them, and assuming the remote possibility of small blemishes, do what may be done to remove them. The strange but natural thing is, that the public in a general way blames the official for things he cannot help and which are indeed imposed upon him by the public itself. Endless minuting, inordinate delay and miles of red tape cry the papers from *The Times* downwards, and they are now and again reinforced by some celebrated novelist, but the official is not responsible for any of these. This is not to say that they are not sometimes carried to excess, and in fact of recent years they have been cut down to an extent which must make Victorian officials, dead and gone, turn in their graves, but in the main they are imposed by the conditions of the public service, and this applies both to the civil and municipal services. The slightest error, the most minor peccadillo raises a storm of protest in the press, usually followed by questions and discussion either in Parliament or Corporations, and there is a deuce of a racket. Irritating and disagreeable as these criticisms are to the official, these are all to the good, and result in services which for probity and efficiency are nowhere excelled and seldom equalled in the world. Now, the public cannot have it both ways. Meticulous accuracy means meticulous method. The elaborate system of records is often attacked, but does a member of Parliament desire to know how many bananas were imported from the West Indies in 1919-20, he expects and gets the information in twenty-four hours, but this entails records and filing and indexing unknown to private enterprise.

As to minuting no one would attempt to defend the classic case of which Lord Curzon wrote: "Departmentalism is not a moral delinquency. It is an intellectual hiatus—the complete absence of thought or apprehension of any thing outside the purely departmental aspects of the matter under discussion. For fourteen months it never occurred to a single human being in the Departments to mention the matter, or to suggest that it should be mentioned. *Round and round, like the diurnal revolution of the earth, went the file, stately, solemn, sure, and slow; and now, in due season, it has completed its orbit, and I am invited to register the concluding stage!*

## *Public Administration*

How can I bring home to those who are responsible, the gravity of the blunder or the absurdity of the situation?"

Let it be observed, however, that the Olympian wrath of the great Pro-Consul was not at the minuting itself or even at its duration, but because he had not seen the matter before.

No, the public official can make a sound defence of his methods and of red tape, or rather the anæmic stuff which is now issued in place of the old full-blooded article.

So far as the public has any complaint it is in regard to a matter which the official is often inclined to regard as trivial, but which is, in fact, of the highest importance, viz., the personal attitude of the official to the members of the public.

Here it is necessary to write a few words on the besetting sin of all public officials, which is to forget they are the servants of the public and assume they are its masters. It is less noticeable in this country than in any other I have visited, except perhaps Scandinavia, and it is not confined to the public services, for it is significant that the bad times experienced by the railway companies have brought about a great increase of politeness to passengers, while most of us have sad recollections of the arrogance of privileged tradesmen in the war. Still, it does exist in the public services, and is an evil and unnecessary thing. It springs mainly from what is loosely called the bureaucratic touch, which is only another way of saying that the official considers himself superior to the public with whom he comes in contact.

Its existence is usually hotly denied, but sometimes excused on the ground that there is little of it and the public are very trying. The denial is simply sticking heads into the sand, but it may at once be gladly conceded that in proportion to the staff of the services impoliteness is rare.

But it should not exist. Courtesy in a public servant is a high form of efficiency, and this is not always realised by the Departments, the officials or the associations.

True, the telephonist is instructed to "hear all and say nowt," which is very difficult at times, but little or nothing seems to be done with regard to any other official. As for the excuse that the public is sometimes objectionable, the simple answer is, that two blacks never did and never will make a white.

I cannot say much of the municipal services, but cases come before me on the Bench in which it is clear that the officials have sometimes forgotten that their first duty is to advise and not to admonish, but these are difficult cases and possibly hardly come into the category of courtesy as between officials and the public.

Of the Civil Service I have more knowledge, and select two

## *Personal Relations of Officials with the Public*

Departments for such details as appear necessary to prove there might be an improvement in attitude, the Inland Revenue and the Post Office. The Income Tax people do not expect to be popular, but except on one occasion my relations with them have been very pleasant, for they have more than once returned money when I was unaware of their indebtedness to me. Consequently, when I heard complaints of their attitude I was inclined to pooh-pooh them, but an experience caused me to think that even in that Department all was not always well. A friend of mine thought he was wrongly assessed.

Letters and interviews with his local man only resulted in curt notes saying he was wrong, and eventually he obtained an interview with an official at Somerset House and I accompanied him. For twenty minutes we were treated as though we were trying to rob the Revenue, then by accident the true point emerged and the whole thing was shown to be due to my friend having misunderstood a point of income tax law. When we asked why that could not have been made clear at the first, the impression we gained was that had we any gumption we should have known it.

This won't do! What is simple to the Income Tax official is not simple to the layman, and while the Income Tax can never hope to be popular it would be less unpopular if explanation was more readily forthcoming and objectors not made to feel that they are suspect.

In the Post Office the trouble is nearly always with the counter clerk, although a point arises concerning postmasters. Why is it so difficult to get to see a postmaster of any big town. Some of them certainly have the excuse that they are ashamed to invite anyone to the wretched cubby-holes the Post Office designates postmasters' rooms, but that is not the whole of the story.

Usually a request to see the postmaster personally is taken by an overworked inquiry clerk who seems startled at the demand and closely cross-examines the visitor, after which he hands him over to a messenger, who watches him like a cat and conducts him not to the postmaster but to an official who pretends that he is that official. Postmasters usually say these precautions are necessary or their lives would be burdened by bores, but it is doubtful whether after all so many people want to see the postmaster personally and, anyhow, the chief who has not mastered the art of getting rid of bores lacks an important qualification.

In the first part of the war I did some work for the War Office, attending many meetings in the country. The organiser invariably said I was from the Post Office, and time after time, prominent townspeople asked me to do something regarding the rudeness of the

## *Public Administration*

counter clerks in the local offices. It was, of course, not my business and, no doubt, there was much exaggeration, but I approached responsible persons to be met with the usual denials, with the misinformation that I did not know what the public were, a sufficiently absurd remark seeing that I had had many years' experience of the Post Office, and what was most irrelevant of all that I should remember how tender counter clerks were with old age pensioners. Gently reminded that the courtesy given to customers in the great shops far exceeded that of the Post Office counter, my friends burst out that shop assistants were wage slaves and had to be servile to keep their jobs. Phrases like wage slave are very stupid, and in any case cannot apply to the bank clerk who is, as a rule, the most polite person. It is with him that a true comparison may be made.

Why is it that "thank you" is so often missing from the vocabulary of the counter clerk? It is true that "thank you" is in some cases almost as offensive as the "sorry" which a woman jerks over her shoulder when in rushing to the door she has trodden heavily on your foot. You know she is not sorry, and is probably resentful of the fact that your foot came between the wind and her mobility, but generally it is a gracious phrase and is used less than it might be in post offices.

Rudeness in post offices is, on the whole, passive rather than active. Cases of the latter kind occur, but not more and perhaps less frequently than outside, but it is a slur and unfortunately a common rudeness for a counter clerk to continue a conversation with another clerk while serving a customer.

A customer is entitled to the undivided attention of the clerk and if the Post Office were not a monopoly the Department would soon discover this in the most disagreeable fashion of a loss of business.

Another rudeness seems to be due to faulty organisation. Counter clerks must of course receive fresh supplies of stamps or whatever it may be, but that is no reason why a supervisor should stop a transaction with a customer to make the necessary inquiries. But it is done! Remonstrance on one occasion met with the retort that official business must take precedence and the rejoinder that serving a customer was official business, produced nothing but a supercilious stare.

This paper must not be too long, and it is suggested that the remedy lies in joint action between the Departments and the Associations.

The interest of the Departments is obvious; that of the Associations lies in the fact that it is a mistake for them to regard as their sole functions "more pay and less work." They are vitally interested in the efficiency of the whole service, and I conclude by repeating that courtesy is a high form of efficiency.

# How London is Governed

By HUGH GREEN  
Town Clerk, Finsbury

[Paper read at joint meeting of the Institute of Public Administration and the Association of Metropolitan Borough Clerks, 24th November, 1930]

TO describe how London is governed in its local affairs may be made the briefest of tasks, dismissed in a few short sentences. One might say, London is governed by the London County Council in central matters, by the City and Metropolitan Borough Councils in local matters, with an occasional paternal intervention by a department of the National Government; and that is all.

But I do not imagine that I should satisfy an audience such as is here gathered this evening by so bald a statement in describing how London is governed. With such a Chairman,<sup>1</sup> presiding over such an assembly, amongst whom I see a number of my brother Town Clerks, I gather that something far different from that is expected of me.

What then, am I to do? Am I to explain to you how London is governed by asking you to follow me through a lengthy exposition of London local government statutes, bye-laws and regulations, describing the operation of each, and directing you to chapter and section? I think you would not thank me if I did this, just as I know that many here could compile such a catalogue with greater precision than can I. No; rather am I persuaded that I may best do justice to my subject within the scope which this occasion provides, by disclosing some brief glimpses of the history and development of local government in London, by examining more the purpose than the provisions of its chief statutes, by inspecting not only its outer structure but also its inner chambers.

A glance at the historical development of London government discloses at once a surprising fact. Some writers assert that as far back as 1000 B.C. there was on this site a town of importance in the land. More reliable records tell us that in 50 B.C. London existed as the capital of the Trinobantes, and that it was the Londinium of the Romans in the first century of the Christian era. Remembering this, and then turning one's attention to London's modern history, one

<sup>1</sup>Chairman—Mr. I. G. Gibbon.

## Public Administration

is startled to observe that the present highly organised state of London's local government is the product of comparatively recent years. Although London's streets were first paved under a statute of 1533, it is little more than one hundred years ago when came any serious stirrings of London's conscience to put its affairs in order, to bring under some uniformity of control the ill-assorted settlements of humanity which had grown up in the outer circumference of the City. 50 B.C. to the Metropolitan Paving Act of 1817 A.D. is a long stretch. Prior to Hunt's valuable work on London government first published in 1897, standard text books on London government included such manuals as " Prideaux's Churchwardens' Guide " and the " Vestryman's Handbook " ! During my own official experience, and doubtless within that of others here present, the electors' roll for a local government election was prepared in manuscript, and ballot papers were distributed at the electors' doors by policemen. The Metropolis Management Act of 1855—a measure of 251 sections—may be regarded as the great Metropolitan charter, and yet under its provisions London, outside the City, was governed, apart from the central Metropolitan Board of Works, by 12 district boards of works, and 30 vestries. One vestry might consist of as many as 120 members, with the incumbent and churchwardens of the parish as ex-officio members. Important and far-reaching in the government of London as was the creation of the London County Council through the Local Government Act of 1888, this was rather a measure for central control than local administration, and no development occurred in the latter sense until the Local Government Act of 1894. Although this enactment strengthened somewhat the code of London government in that it applied the Ballot Act to local government elections, and appropriated some of the important provisions of the Municipal Corporation Acts and the Local Government Act of 1888, the status of the London vestries was not unduly enhanced by it. Vestrymen in some notorious districts still continued to hold their preliminary meetings in pothouses before going to the vestry hall; the ordeal of combat, with inkpots as missiles and handfuls of whiskers as trophies, was still employed on occasions in the settlement of weighty matters of local administration; and elective auditors still continued to overlook the camouflage possible in charges for " hire of steam roller." Such was the state of Local Government in London when in 1899 came the London Government Act of that year, which gave the *coup de grace* to bumbledom and beadleism, and at last placed the local administration of the Metropolitan districts on a level of some dignity and importance. By this Act vestries and district boards were swept away, and in their stead were created the 28 metropolitan, city and borough councils, each with a mayor at its



## *How London is Governed*

head and a body of aldermen and councillors forming a corporation in perpetuity, with a statutory recognition allied to that accorded to the great municipal boroughs, and with its expenditure placed under the official audit system. The highest possible membership of a metropolitan borough council is 71. So ends my brief historical survey of the local government of London—50 B.C. to 1900 A.D.—one may say 2,000 years, and my audience may now adjudge the truth of my assertion of the tardy awakening of London to its own needs in the matter of self-government. I will now proceed to deal with present systems, and for the sake of continuity I will speak first of the local authorities.

The cities of London and Westminster and the 27 metropolitan boroughs are the sanitary and public health authorities of the metropolis. A description of the constitution, powers and duties of the Corporation of the City of London in the many special aspects peculiar to the City, cannot be included within the scope of this paper, but it is correct to say that in a general sense the Corporation takes its place with, or shall I say at the head of, the authorities created by the London Government Act of 1899. These bodies are primarily responsible for the local sewerage and private drainage systems, for the maintenance of roads, the lighting of streets, the collection and disposal of refuse, the health of the people, the quality of the food supply. Their administrative powers under the Metropolis Management Acts were supplemented by the two further series of legislative enactments dominated by the Public Health (London) Act, 1891, and the Food and Drugs Act, 1875. Through the Maternity and Child Welfare Act of 1918 they can assist at your birth; they can supplement your education by means of the Public Libraries Acts; they can keep you clean by virtue of the Baths and Washhouses Acts; they can bury you through the agency of the Burial Acts. They are the authorities for the valuation of properties for local rating, and for the making and collection of the rates; and through their chief officers they see that you get your franchise rights as citizens. In these principal, and in many other minor, matters they are practically the sole responsible authorities. As housing authorities, with far-reaching powers in their own districts under the Housing Acts in the clearance of slums and the supply of new houses, they have concurrent powers with the London County Council, as is also the case with regard to street improvements, and the provision of open spaces for the people. In the more intimate social life of the people they, through their Mayors, exercise a very personal interest. Their Mayors open bazaars, preside at baby shows and prize distributions, and often go, with their Aldermen and Councillors, to church! (We have all probably heard the little pleasantry about the Mayor who performed

## *Public Administration*

the extremely awkward physical feat of laying a foundation stone with his corporation behind him!) And now after 30 years of rule by the borough councils, it is an accepted fact that their creation did much to raise the standard of local government in London, to save from extinction the local autonomy of its different and differing areas, and to preserve on a high level the local patriotism of its people. In their period of life the budget of these authorities has risen from about four million pounds to more than treble that figure. Their areas range from the 405 acres of the smallest borough (Holborn) to the 9,107 acres of the largest (Wandsworth). Their total net annual value (including the City of London) is now over fifty-eight million pounds.

The London County Council, as I have already stated, was created by the Local Government Act of 1888. It was one of a series of county councils which the Act brought into being throughout the country, the administrative county of London being specially carved out of the counties of Kent, Middlesex and Surrey, and with a centralised code of powers and duties, carrying forward and enlarging those of the old Metropolitan Board of Works, created by the Metropolis Management Act of 1855, it quickly asserted its position as a central authority with large controlling rights and high executive functions in matters affecting London as a whole. The constitution of the London County Council is framed somewhat on the lines of the municipal boroughs, with a chairman (instead of a mayor), a vice-chairman, a deputy chairman, aldermen and councillors. London is divided into 61 electoral divisions each returning two councillors, except the City of London, which returns four members—124 councillors in all. There are twenty aldermen. Starting off with a rich heritage from its predecessor the Metropolitan Board of Works, and with other important powers previously operated by other authorities, the London County Council has waxed strong through the years, until its participation in a Londoner's affairs has become indeed wide and deep. Its legacy from the Board of Works included such weighty matters as main drainage and sewage disposal, buildings and building lines, street and area improvements, street nomenclature, parks and open spaces, fire prevention, Thames bridges and embankments. It became possessed of the powers of the Justices in Quarter Sessions in such matters as music and dancing licences, regulation of weights and measures, the provision and maintenance of asylums for pauper lunatics, reformatories and industrial schools, the provision of coroners' courts, and other administrative functions. The appointment of coroner, previously the privilege of the freeholders of London, also became vested in the county council. The progress of the county council since 1888 is very striking. From the germ of power contained in the old Tramways Act, 1870, it has developed into a tramway authority con-

## How London is Governed

trolling 165 miles of tramways, carrying 714 millions of passengers in the year. From the first timid adventure of the Artizans' and Labourers' Dwellings Act of 1875, have grown the present powers of the county council as a housing authority under successive Housing Acts resulting in the erection by that council of 48,000 houses and flats for the working classes in London and miles beyond the confines of London, at a total cost, for clearance schemes and housing, including what may have been spent by their predecessors, of 34 million pounds, the annual inclusive rent roll being nearly two million pounds.

The Metropolitan Building Acts, small affairs passed during the years 1855 to 1882, were the forerunners of the London Building Act of 1894, which constituted the county council, through its own organisation and the District Surveyors, the supervising authority for buildings old and new within the county from the special view-points of safety and public amenities. Continuing its march of progress, in 1903 London's educational system came within its jurisdiction, by the demise of the old London School Board. By this transfer the London County Council became the education authority for the metropolis, and is to-day solely responsible for the education of over 650,000 children, in 1,200 schools, with a staff of approximately 20,000 teachers. After including such items as grants made to "aided" schools, the cost of training colleges for teachers and evening institutes, school medical service, scholarships, administration and debt charges, the total cost of London's education service is about 13 million pounds annually, of which about one-half falls upon the rates.

And now, piling Pelion on Ossa, as it were, comes the mighty achievement of the Local Government Act of 1929, which, with one grand gesture sweeps the metropolitan horizon, and, gathering up in its gargantuan grasp the 25 Boards of Guardians standing shivering on the precipice of extinction, deposits them like so many lilliputian pawns straight into the omnivorous portals of County Hall, taking with it, *en passant*, a mere *soufflé* as it were, the great organisation of the Metropolitan Asylums Board and its 60 hospitals, asylums, and other institutions. By this enactment, the London County Council become sole controller and director of the whole system of Poor Law relief (to be henceforth known as public assistance) and public institutional treatment, for the whole of London, responsible in this connection alone for an annual expenditure of 10 million pounds.

Speaking of the London County Council in relation to financial matters, it is the loan sanctioning authority for nearly all the capital operations of the borough councils, wisely enough lending on the strength of its own sanctions. The outstanding debt of the cities and boroughs of London to the county council is now approximately 18 million pounds. I may here observe that in 1888 the corresponding

## *Public Administration*

debt due to the Metropolitan Board of Works was about two million pounds. The London County Council obtains the funds for these capital transactions by the issue of public stock as authorised by its Money Acts; their gross debt to the public to-day is well over 100 million pounds; the gross debt of this nature of the Metropolitan Board of Works in 1888 was 28 million pounds. The last rate raised by the Metropolitan Board of Works for the year 1888 was 8½d. in the £ on a total rateable value of 31 million pounds; the rate required by the London County Council for the year 1930-31 was 7s. 2½d. in the £ on a total rateable value of over 54 million pounds. The last annual demand of the old Board of Works was for an amount not greatly exceeding one million pounds; the demand of the county council upon London for the year 1930-31 was nearly 20 million pounds.

One cannot in a paper dealing with the government of London omit mention of the powerful body responsible for London's water supply, the Metropolitan Water Board. This is composed of representatives appointed by the local authorities within the area of supply. It was created by the Metropolis Water Act of 1902, under which the private water supply companies then serving the metropolis were bought out, and the responsibility of providing London with an abundant supply of pure water was vested in the Board. The capacity of the Board's water storage is now twenty thousand million gallons, and the rateable value of its properties well over one million pounds. It draws its supplies from the Thames, the Lea, and the New River, and it serves an area of 574 square miles, with a population of seven millions.

Amongst the duties of the city and borough councils which I have already enumerated is that of street lighting. For the best part of its twenty centuries of existence London must have been a veritable tenebrose during the hours of darkness. Not until 1415 was any attempt made to light the streets, and then only by lanterns. Lamps were first used in London in 1681; gas in 1807; lighting by electricity within living memory. Many of the Metropolitan Borough Councils are now electricity undertakers, supplying electricity for public and private illumination. In the development during recent years of this system of lighting there is to be observed a matter of outstanding importance. Endeavours are now being made through the London and Home Counties Joint Electricity Authority, a body recently created, which, if successful, should revolutionise the lighting system of London. The scheme is one of co-ordination of existing undertakings, public and private, and thus to secure a plentiful and uniform supply at a lower and level price. This is a great promise, and one hopes it may be realised. The lighting of the streets of London is a

## *How London is Governed*

highly important matter, at present managed in varying stages of efficiency. There are districts in the metropolis in which laudable attempts are made to meet modern demands in the matter of street lighting, but nevertheless still sadly wanting; while in other areas the treatment of this question is lamentably inadequate. The needs of to-day in this connection call for a bold and far-reaching policy. The traffic conditions of our time demand streets as well lit by night as by day; and not in spasms and patches, but in extensive flooding by artificial illuminant; and not only in main roads but in all roads. Here is a field of endeavour for the Joint Electricity Authority which it is hoped it will explore to the utmost, and so justify its entrance into the local government of London.

One more short reference, and this is to another aspect of my subject. It is a connection in which comes to one's mind the famous words of Abraham Lincoln: "Government of the people, by the people, for the people." Whatever may have been the past, and whatever may be the present, failings of London's local government, it shows in its inception a foundation of true democracy upon which has been reared a structure of progressive strength and magnitude. And only because of this has it been found possible to deal successfully with the many problems which have arisen, and especially those of recent years. Particularly is this principle exemplified in the new system of conference and consultation which now obtains in the consideration of local government matters in the metropolis—a system which London, I think, owes in the first place, to the responsive attitude adopted by Ministers of the Crown towards local governing bodies in recent times, and to the friendly spirit of co-operation which now exists between civil servants and local government officials. I would instance the practice now followed by government departments of submitting in draft form to the local government authorities any legislative proposals of importance affecting local government before introducing them in Parliament, whereby perhaps after a long series of conferences between a Minister and local representatives, and many discussions between officials, a measure of first rank is submitted to the legislature in a more or less agreed form. I think it would not be out of place for me to touch for a moment on the relations between the Minister of Health and the Minister of Transport and their respective departments on the one hand, and the local authorities and their officers, on the other. These two departments of the government are intimately associated with the work of the local authorities, financially, administratively and technically; their doors are ever open and their officials accessible to the local authorities and their officers, and there is no doubt that the good government of London is enormously facilitated by this free and friendly collaboration. In most important



## Public Administration

Acts of Parliament, especially those introducing new systems of administration, power is taken by a Minister to remove difficulties and solve differences; and though this system has been attacked of late in high legal quarters as unduly bureaucratic, yet we who know its value must subscribe to its usefulness. In the same connection, we note the many conferences and consultations which take place between the London County Council and the borough councils, and meetings between the respective officials, in which much good work is done out of session, as it were. A Chairman of Committee of the London County Council is an important person, entrusted to a large extent with powers of direction and agreement in the business of his Committee, and much real solid work is accomplished in half-an-hour in the Chairman's room. Again, within recent years, there has come into being a consultative body representing the borough councils, known as the Metropolitan Boroughs Standing Joint Committee, which meets monthly in this very hall. It is composed of representatives appointed by the Metropolitan Borough Councils; it deals extensively with matters of general policy in which the boroughs as a whole are interested, and has come to be regarded by the Government and by the London County Council as speaking with the voice of the boroughs. And I should be doing an injustice to a body of respectable and worthy men were I to omit reference to the Association of Metropolitan Town Clerks, whose meetings in this hall coincide with the meetings of the Standing Joint Committee, who make constant reference to them for advice and assistance in matters involving questions of administration.

And so it may be seen how the government of London is carried on: first by a complex and extensive series of Acts of Parliament—the official Charters of the Metropolitan Authorities and their officials, with, as a valuable adjunct, an unwritten constitution whereby they meet around the table—the best of all places for the settlement of difficulties and differences—and there evolve the *modus vivendi*.

And in conclusion, to all Londoners, whether by birth or adoption, and to all engaged in the government of London, I would say: Guard you well your heritage and your charge. For what Londoner can look upon London and not love it? London! the mightiest and greatest city in the world, with its teeming millions, its immensity, its beauty! How we feel the throb of its life, the pulse-beats of its heart! How we delight in its pleasure and its gaieties, its river, its bridges, its buildings, its boulevards and parks! How we puzzle over its problems—its poverty, its slums, its sorrows! To preserve and foster its loveliness and influence; to redeem its faults, and ennoble its reputation amongst the peoples of the world; these are our tasks, we Londoners who work for London! Let us see to it that our task, so far as in us lies, fails not of accomplishment.



# The Absorption of the Work of the Poor Law Authorities in London by the London County Council

By W. H. WADDINGTON

THE theory of public administration is a fascinating subject, and the columns of the Journal have included many valuable contributions to its study. The profound changes in local government throughout the country necessitated by the Local Government Act of 1929 have put to a severe practical test the capacity of administrators, and it may be of interest to readers of the Journal to have the following plain unvarnished tale of the manner in which the London County Council solved the great administrative problem of absorbing on 1st April, 1930, the work in relation to Poor Law, which up to the preceding day was carried out by the Metropolitan Asylums Board, 25 Boards of Guardians, and 4 Boards of Managers of school districts.

The magnitude of this problem will be realised when it is stated that the London County Council became responsible for the work performed by some 30 authorities, including the administration of 140 hospitals, schools and other institutions, with 75,000 beds as well as the provision of relief for about 180,000 persons, the expenditure on the transferred services being more than £11,000,000 a year. The number of elected or co-opted Guardians and other members displaced by the Act was about 740, and these were assisted in many capacities by large numbers of voluntary workers. The staff transferred to the council's service numbered in all more than 26,000.

The task laid upon the council differed substantially from that undertaken when in 1904 it became the local education authority for London. In that year the School Board for London was abolished and the onerous responsibility of administering the London education service devolved upon the council. On that occasion, however, the council took over the work of one large authority with its head office and local staff already organised, and although changes in organisa-

## Public Administration

tion were found desirable in order that this great service might be dealt with in accordance with the council's general principles of administration, the problem of absorption was not comparable with that which in 1929 confronted the council in taking over the work of some thirty separate authorities. Fortunately, good notice had been given of the intentions of His Majesty's Government as the Minister of Health issued in June, 1928, a White Paper (Cmd. 3134) containing proposals for reform in local government and in the financial relations between the Exchequer and local authorities, and invited the views and co-operation of the authorities in securing the adoption of the best possible scheme on the lines laid down in the White Paper.

A Special Committee appointed by the council in 1925 had already investigated preliminary proposals, and the council at once addressed itself to setting up machinery not only for considering the changes proposed by the Government, but also any legislation promoted to carry these changes into effect. The proposed changes affected the work of many committees of the council, and in July, 1928, the council appointed a new special committee of 17 members (in addition to the chairman, vice-chairman and deputy chairman of the council *ex-officio*), and entrusted them with the duties above indicated to the exclusion of all other committees of the council except the Finance Committee. Sir Cyril Cobb was appointed Chairman, and Mr. R. C. Norman, Vice-Chairman, of the Committee. Continuity of policy not only in relation to the Government's proposals, but to the legislation to give effect to them was thus secured, and the delays and difficulties which would have resulted from the consideration of the various aspects of the proposals by the committees normally concerned were avoided.

By November, 1928, after investigation and conference with the Ministry of Health, the Special Committee were able to submit a comprehensive report upon the Government's proposals. They intimated that they had made a preliminary survey of the functions which would devolve upon the council under the intended Act in order to ascertain how far such functions could be absorbed in or grafted on to the council's organisation, and that there should be no insuperable difficulty in adapting and supplementing the existing organisation and machinery so as to enable the council to undertake the new duties. On their recommendation the council resolved, subject to assurances being received that satisfactory financial arrangements would be made to safeguard the position of London in connection with the new system of Exchequer grants and to a settlement of certain administrative points, to accept the scheme of reform outlined in the White Paper.

One of the points emphasised by the Special Committee and

## *Poor Law Authorities*

endorsed by the council was that the council should have the largest possible measure of freedom in distributing transferred work between its committees. It was urged that the difficulties attending the statutory reference to a committee of a subject which was only a component part of a larger subject were such that the setting up of new statutory committees would create an intolerable administrative position. Further powers to enable the council to delegate or transfer powers and duties to all the metropolitan borough councils were also advocated with a view to affording a measure of relief to the council after it had undertaken the heavy additional burden of Poor Law functions.

The Local Government Bill was introduced on 12th November, 1928, and read a second time in the House of Commons on 28th November. The exhaustive consideration which the Special Committee had already given to the subject enabled them to report fully on the Bill in December, when the council accepted its main principles.

As is well known the Bill was exceptionally voluminous and complicated, and the examination of its provisions, negotiations with the Ministry thereon, and the formulation of amendments to meet the special conditions of London made great demands upon the Special Committee and the council's officers. The Bill received Royal Assent on 27th March, 1929, and the Special Committee at once proceeded with the preparation, as required by the Act, of a scheme of administrative arrangements for London. This involved the investigation of work with which the council was unfamiliar, its classification and distribution among the appropriate committees of the council and the elaboration of machinery to carry on the manifold activities of the disappearing authorities. The scheme was adopted by the council in July, 1929, and with slight verbal amendments, was approved by the Minister of Health on 30th October of that year.

During the preparation of the scheme, the Special Committee, in common with the executive committees concerned, explored as far as possible, many of the problems calling for decision before the appointed day, 1st April, 1930. These included (1) the setting up of the new or reconstituted committees and sub-committees provided for in the scheme, including the selection of the persons other than members of the council to be co-opted to serve on such committees and sub-committees; and (2) the adaptation of the council's official organisation so as to absorb the new duties.

In relation to (1) a fundamental feature of the scheme was the allocation to appropriate committees of the council of the transferred functions in accordance with the system under which the work of the council was already organised. As regards the council's alternative

## *Public Administration*

powers of rendering assistance, it was only found practicable to make a declaration at once, removing from the Poor Law the service of rendering domiciliary assistance to blind persons, but the scheme expressed the intention of the council, as soon as circumstances permitted, of utilising its powers under the Local Government Act, 1888 (as extended by the Act of 1929), the Mental Deficiency Act, 1913, the Blind Persons Act, 1920, the Public Health (Tuberculosis) Act, 1921, and the Education Act, 1921, so as to provide assistance under these Acts instead of by way of relief under the Poor Law. The scheme therefore pointed clearly in the direction of what is generally known as "the break up of the Poor Law." In consonance with this policy the transferred functions, so far as they related to the maintenance and treatment of the sick in hospitals (including the ambulance services), were referred to an enlarged Public Health Committee designated "The Central Public Health Committee," the Mental Hospitals Committee as constituted under statute, was given the transferred work incidental to mental hospitals, and the Education Committee as already constituted by scheme was charged with the transferred duties relating to schools education, boarding-out and apprenticeship. The Committee on the Welfare of the Blind appointed under the Blind Persons Act, took over the transferred functions incidental to the welfare of blind persons, while other ancillary duties were referred to appropriate committees such as stores and supplies to the Stores, &c., Contracts Committees, Central Administrative Staff to the Establishment Committee, superannuation and other matters to the General Purposes Committee. These remained the great volume of work relating to the supply of relief in money or in kind, domiciliary medical relief, the setting to work of able-bodied persons granted outdoor relief, and the management of what are commonly known as "The Institutions." This, together with other public assistance functions of a general nature, was referred to a new large committee provided for in the Local Government Act, 1929, and designated the Public Assistance Committee.

The personnel of the council being limited, it was obvious that in order to provide members for the new and enlarged committees required by the scheme, a revision of the whole system of committee organisation was required, and this was undertaken by the General Purposes Committee simultaneously with the preparation of the administrative scheme. On their recommendation the council decided to reduce the number of members of existing committees, and overhauled its standing orders and orders of reference to committees generally in preparation for the new burden of work.

There remained the great task of setting up the new Public Assistance Committee and Central Public Health Committee, with their

## *Poor Law Authorities*

numerous central and local committees and sub-committees and visiting sub-committees, the delimitation of their respective powers and duties, and the selection of the necessary personnel. The main committees were constituted in November, 1929, and at once got to work. There was not lacking a large number of enthusiastic and public spirited persons, both men and women willing to serve as co-opted members, including a large number of Guardians, and before the appointed day not only was the committee machinery ready for the transferred work, but a large number of questions pressing for solution before that date had been dealt with.

Coming now to the second main problem, viz., the adaptation of official machinery to absorb the new duties, the council proceeded on the basis that its existing system of division of work between departments, built up as the result of experience, should be maintained with the necessary strengthening and adaptation to include the new duties. It was evident that the transfer to the council of 81 hospitals, having about 38,500 beds and with a staff of about 16,500, would involve an entire reorganisation of the Public Health Department. This was undertaken in stages, the first being to obtain as the result of public advertisement three principal assistant medical officers, each of whom would take charge of an appropriate division of the work of the department, and a matron-in-chief. These officers took up their duties in October, 1929, and were thus available under the Chief Medical Officer, to study and advise on the problems involved by the transfer and necessary arrangements. At a later stage, viz., in December, 1929, the council tentatively dealt with the subordinate staffing of the department.

For the work devolving on the Public Assistance Committee it was necessary to create an entirely new department and the first step was to appoint a chief officer and chief assistant. By arrangement with the Metropolitan Asylums Board, the Clerk of the Board undertook from 1st October, 1929, the duties of chief officer pending his transfer to the council's service, while the second assistant selected after public advertisement took up his duties on 1st November, 1929. The administrative scheme provided for the public assistance work to be performed in 10 administrative areas, and these officers at once addressed themselves to setting up the necessary organisation.

The staffing of other departments was reviewed so as to enable them to cope with the increased work, the engineering maintenance, for instance, being added to the department of the Chief Engineer, the accountancy work to that of the Comptroller of the council, the architectural work to that of the council's architect and the work connected with supplies to that of the Chief Officer of Supplies.

With the approach of the appointed day it was necessary to

## *Public Administration*

elaborate the duties to be performed by the transferred staff. While it was essential that there should be no break in continuity which would imperil the arrangements for relief, the staff employed by thirty authorities under an entirely different system had to be divided among the several departments of the council and instructed as to the work to be performed under the council's system of administration. Questions of extreme complexity in relation to the superannuation of transferred staff had to be solved, while their varying scales of pay and conditions of service necessitated interim arrangements fraught with great difficulties until standard scales and conditions could be evolved. An interdepartmental committee was set up for the selection of personnel, every possible assistance being rendered by the Clerks of the Poor Law authorities. The allocation to the new duties of staff trained under the council's system imposed a great strain in the departments concerned, many of which were already experiencing difficulties owing to the development of the council's normal activities, but with the co-operation of the Poor Law authorities who released in advance of the appointed day staff to fill up to some extent the measure of depletion, it was found possible to carry on though at the price of great personal sacrifice on the part of the staff. It was not without anxiety that the appointed day arrived but the transfer was effected with remarkable smoothness considering all the circumstances.

The task of absorbing these new functions which devolved upon the London County Council was of course entirely different from that of other county councils. The problem of the former was to devise suitable administrative machinery for an area comprising a population of  $4\frac{1}{2}$  millions concentrated in 117 square miles of territory. The problem of the latter was in relation to much larger areas comprising non-county boroughs and urban and rural districts. In essence the problem of the London County Council was that of a large county borough magnified many times owing to the huge population to be served and complicated by the large number of authorities with areas differing in size and character whose duties and staffs were transferred. I venture to suggest that articles describing how the task was accomplished by a county council with a wide area and by a large county borough would stimulate interest in the local government side of public administration.



# Recent Developments in German Public Finance,<sup>1</sup> with Particular Reference to the Communes

By Miss MAY L. DHONAU, B.A.

UNSATISFACTORY as the results of the Hague Conference, 1929, were felt in many respects to be, it was yet hoped in Germany that the acceptance of the Young Plan would lead to decreased taxation and contribute to trade recovery. Even before the final ratification of the Plan by the Reichstag it had become evident, however, that this would not be the case. All hope of taxation relief was defeated by the Wall Street crash with its attendant reactions on the German industrial situation, so that the Government was faced with a deficit of 891 million Reichsmarks, 651 millions of which were due to increased expenditure (mainly on social services), 240 millions to decreased revenue. The sum of about 593·3 millions freed by the Young Plan for 1930 (443·3 millions from taxation, 150 millions from the industrial levy) was thus immediately engulfed in the deficit on the 1929 budget, still leaving a net deficit of 297·7 millions. During the current year the industrial depression has further increased, so that the government has been faced not only with a deficit on the 1929 budget but also with increased expenditure on unemployment relief and a falling yield from taxation. The Müller cabinet, which attempted to remedy the situation mainly by increased taxation, has been replaced by one whose avowed aim is to cut down expenditure and decrease taxation. The salaries of public servants have been diminished by 6 per cent. and Unemployment Insurance and Crisis Relief have been reorganised. Under both heads, however, curtailment of expenditure and taxation relief, the main reforms have been carried out at the expense of the communes. Two emergency ordinances have been passed, both of which are of importance for the communes, the second indeed being little other than revolutionary.

The first of these ordinances—called the "Ordinance of the President of the Reich for the relief of financial, economic and social

<sup>1</sup>The reader is referred to the author's article on "Local Government Finance in Germany," which appeared in PUBLIC ADMINISTRATION, October, 1930.—EDITOR.

## Public Administration

needs"—which was issued on the 26th July, contains the following provisions.

The Communes are authorised and in certain cases obliged to levy a duty on the local consumption of beer or a poll tax or both. The beer tax is to be raised from persons who sell beer for consumption or from such as import it into the commune. The tax is rated not according to price or value (though this was possible under the old Financial Adjustment Law) but according to the amount consumed, and varies according to alcoholic content from 2.50 RM. to 7.50 RM. per hectolitre. It can thus be passed on to the consumer in the price and is a real "consumption" tax. Further, where the Welfare Services of any commune are particularly heavy, a supplementary tax may be raised, with the permission of the state supervisory authority, on wine, mineral waters and other "artificially prepared" drinks, also on cocoa, coffee, tea and other drinks. This tax is to be levied simply on drinks consumed at the place of preparation, *i.e.*, in restaurants, cafés and so on.

The poll tax (*Bürgersteuer*) is to be levied from all inhabitants of a commune who are over 20 years of age. Exempt are persons who have been in receipt of public assistance (local) or of Crisis Relief (*Reich* unemployment benefit on a non-contributory basis) within one month of the appointed day, this being for 1930 the 10th October. The *Reich* Minister of Finance may, with the permission of the *Reichsrat*, exempt further classes. The height of the tax is to be determined by the Lands but it must at least reach the *Reich* minimum and adhere to the *Reich* scale of graduation. The *Reich* scale is as follows:—

For persons with income—

Up to	8,000 RM.	...	...	...	at least	6 RM.
From	8,000—25,000 RM.	...	...	...	"	12 RM.
"	25,000—50,000 RM.	...	...	...	"	50 RM.
"	50,000—100,000 RM.	...	...	...	"	100 RM.
"	100,000—200,000 RM.	...	...	...	"	200 RM.
"	200,000—500,000 RM.	...	...	...	"	500 RM.
Over	500,000 RM.	...	...	...	"	1,000 RM.

Persons who are exempt from the income tax are to pay one-half the rate on incomes not exceeding 8,000 RM., while wives not permanently separated from their husbands have to pay one-half the rate levied on the husband on the basis of their joint incomes. That is to say, husband and wife are jointly responsible for paying  $1\frac{1}{2}$  times the rate levied on a single person of the same income. This seems somewhat hard on married persons but it is offset by the special tax on bachelors.

The conditions governing the compulsory raising of either beer

## *Recent Developments in German Finance*

or poll tax are most complicated. If the communal land or trade tax is raised in a supplementary budget after the 1st August, 1930, above the rates decided upon before that date for 1930, then a beer or poll tax must be levied. There is nothing to say that the land or trade taxes may not be raised above the 1929 level, but the rates prevailing on 1st August are to be taken as normal. For the financial year 1931 and until the introduction of the Reich law regulating the basis of the local real taxes, a beer or poll tax must be levied if after the 1st August the communal additions to land or trade taxes are raised above the rates prevailing on that date, while *both* taxes must be levied if the communal land or trade tax exceeds the average for the whole Land. Further, additions to the basic rates for both taxes must be levied in proportion to the amounts by which the communal land or trade taxes exceed the average for the Land.

County Circles were formerly authorised to levy a beer tax and may still maintain their old taxes except where a commune introduces a beer tax or re-casts one to comply with the new regulations. In this case the Circle may not levy a beer tax in that particular commune. This provision is not, however, of such importance as at first appears to be the case, since Circles may claim a portion of the indirect taxes of the non circle-free communes where this is necessary. Their action in this respect is largely determined by whether they maintain the administration of public assistance in their own hands or delegate this service to the communes.

These reforms are not statutory and would probably never have passed the Reichstag, where there would have been at least considerable opposition to the poll tax on the ground that it is a "Massensteuer" or a tax falling relatively hardest on the poorer classes. The measures are not really revolutionary except in so far as under special circumstances one or other of the taxes (or both for 1931) is made compulsory. The linking of certain taxes together is an old practice. The Reich determines when either tax shall be compulsory; it determines the scale of the beer tax and the basic scale for the poll tax; it enumerates the classes of persons to be taxed and those exempt. The Lands are left free only in determining the actual rates of the poll tax while the communes have no say in the matter at all.

The Emergency Ordinance of 1st December, 1930, is much more far-reaching in its provisions and to a certain extent already supersedes that of the 26th July.

In future persons in receipt of unemployment insurance benefit and recipients of benefit under the invalidity and social insurance acts are also to be exempt from the poll tax, which is in addition to be more steeply graded. The government intends to include the poll tax in the Financial Adjustment Law which should come into opera-

## *Public Administration*

tion on the 1st April, 1932. It is thus looked upon as permanent. The earlier ordinance did not make it impossible for the communal additions to the land and trade taxes to exceed the 1930 level. Indeed, by a little judicious manipulation it would still have been possible to increase them without thereby becoming liable to levy a beer or poll tax. The new ordinance forbids any increase in these taxes above the 1930 rates, yet on the other hand authorises the communes to make unlimited additions to the basic rates of the poll tax and additions up to 100 per cent. on the basic rate for the beer tax. The supplementary tax on wine and other drinks is to be abolished from the 1st April, 1932. Not only may the additional percentages levied by the communes on the land and trade taxes for 1931 not exceed those for 1930 but the basic rates for these taxes (determined by the Lands) must be lowered, the trade tax by 20 per cent. and the land tax by 10 per cent. Where according to the law of the land the house rents tax may be recovered from the tenants the 10 per cent. decrease in the land tax may be replaced by a 3 per cent. decrease in the house rents tax, while rents will remain the same. Thus not only the business community but also the landlords are to receive relief under the new ordinance. The deficit left by this decrease in the local real taxes is to be covered by the diversion of 50 per cent. of the housing quota of the house rents tax, which is to be placed to general revenues account. In Lands where the housing shortage is particularly severe only one-third of the housing quota need be withdrawn for this purpose and the trade tax need only be lowered where it exceeds the average for the Land. In future the whole of the sum allocated from the house rents tax for housing purposes is in general to be distributed by the highest local authority. At the most one-half of this sum may be handed to the communes for distribution. The Housing Shortage Law is to go out of force from the 1st April, 1934, while the Rent Restriction and Tenants' Protection Acts will expire on the 1st April, 1936. How the housing shortage is to be met from the depleted public funds until 1936 is not stated. Presumably it will not be met.

Not only are communal taxes to be restricted but expenditure is also to be curtailed. The "ordinary" expenditure may until further notice not exceed that of 1931; the same applies to the "extraordinary" expenditure, or that financed from loans. Thus is extended the Reich regulation of communal borrowing initiated with the formation of the Reich Advice Bureau for foreign loans some years ago. Exceptions are permissible under special circumstances, when additional expenditure on welfare services is unavoidable and cannot be covered from economies in other departments. From the 1st April, 1932, both beer and poll taxes will be compulsory and will

## *Recent Developments in German Finance*

be co-ordinated with the local real taxes. The Reich income tax is to be reduced and the communes are to be granted the right of raising additional percentages thereon.

The beer tax is thus no longer to be fixed in amount by the Reich or the poll tax by the Lands. The central bodies are responsible simply for determining the basic rates; to the beer tax additions are permissible up to 100 per cent. of the basic rates while unlimited additions may be made to the poll tax. This does not affect the provisions of the earlier ordinance making additions compulsory under certain conditions. From the 1st April, 1932, however, both taxes are to be universally compulsory but the tax on wine and other drinks is to be abolished.

The extension of the principle of additional percentages raised on taxes centrally determined affords a certain increase in local freedom but this advantage is largely nullified by the regulations limiting taxation and expenditure and the raising of loans. The attempt to co-ordinate the height of the beer and poll taxes with that of the local real taxes is a reversion to an old principle, yet, whereas the aim was formerly to decrease the personal taxes, it is now intended to relieve the local real taxes. Never before have expenditure and revenue, whether from taxation or loans, been definitely limited in amount. The reforms of 1st December may be a certain concession to the demands of the communes in that they extend the right of raising additional percentages—in particular to the Reich income tax—but they are largely a concession to the demands of the business community for economy in the public services and the lowering of the real taxes.

An analysis of the Reich budget as drawn up at the beginning of the financial year 1930 shows that of the total uncovered expenditure, 27 per cent. is on war pensions and other pensions, 16 per cent. on debt services, 11 per cent. army and navy, 23 per cent. "internal and external war charges" (1,157·7 million RM. out of a total of some 1,475 million RM. being accounted for by reparations), 1 per cent. foreign and consular services, 22 per cent. internal administration. It was thus only in the sphere of internal administration that any considerable economies could be made, since the other main charges are fixed. The Reich Ministry of Labour accounted for 1,183·4 million RM. out of a total expenditure of 1,814·7 million RM. under this head. Here then was the vulnerable spot, as actual administrative economies could produce not more than about 100 million RM. (Dietrich's estimate) and here reform has been carried through. Since, however, local authorities are legally responsible for assisting every necessitous person in Germany, any tightening up of unemployment insurance and crisis relief at a time of trade depression

## *Public Administration*

automatically increases local expenditure on welfare. Local authorities may not increase their total expenditure after 1931, so that unless conditions improve by then, other services will have to be curtailed. In addition certain taxes have already in 1930 to be lowered. Other sources of revenue have been granted but in the main the deficit is to be met out of funds hitherto allocated to housing. The Ordinance in fact spells the mutilation if not the complete demise of the communal housing services.

These are the measures of a government which believes that increased direct taxation will result in decreased revenue, and that only by decreasing taxation can Germany build up her depleted capital reserves. This is a subject which cannot be discussed here. Certain comments are, however, pertinent. The financial freedom of the German local authorities is temporarily at least entirely gone. The Ordinance of 1st December ends a chapter of remarkable achievement. That this should come about is due to the financial difficulties of the Reich, occasioned in the main by the payment of reparations and the industrial depression consequent on the Wall Street crash.



# Local Finance—Some Suggestions in Rural Areas of South India

By M. K. MUNISWAMI AIYAR, M.A., B.L.

## HISTORICAL.

LOCAL self-government in British India has been evolved by a process of administrative devolution of powers by the Central Government in favour of the Provincial Governments and by the Provincial Governments in turn in favour of local bodies. Prior to 1882, there was nothing in the way of local self-governing institutions in rural areas of South India, except in places where the ancient village Panchayats, or Caste Panchayats, survived.

It is the resolution of 1882, issued by the Government of India, that lays down certain principles on which the evolution of local self-government in India should proceed. One was that the smallest administrative unit, the taluk, should form the maximum area, to be placed under a local board. In other words, the jurisdiction of the local boards must be so limited in area as to ensure both local knowledge and interest on the part of each of the members.

It was decided subsequently by the Government of India, that local bodies should come into existence in each tahril, not as independent bodies, but as local sub-committees of a central organisation, the district board.

It was justly apprehended that men of sufficient knowledge, public spirit, and character, would not be available in taluk stations, and hence all responsibility was centred in the district board.

The Decentralisation Commission of 1909 pointed out that the district boards had practically become a department of the Government, an opinion echoed in the Chelmsford Report of 1918, which admitted that "the broad fact remains, that in the space of twenty years, the progress in developing a genuine local self-government has been inadequate in the greater part of India.

Even before the Reforms, both the Local Boards Act and the District Municipalities Act, had been discussed. When after the

## *Public Administration*

Reforms these local institutions began to function they were hailed by a large section of the public as a valuable agency for the political training of Indians and the socio-economic reconstruction of the country.

But from the first there were certain factors which militated against their genuine success. For one thing, the areas under the jurisdiction of the district boards were unwieldy and unequal in different parts of the country. In Bengal, the success that has attended the efforts of district boards has been through a process of gradual delegation of process to union boards. Lord Ronaldshay has appropriately pointed out that the constitution of further and smaller tax jurisdictions like union boards and Panchayats is essential for the success of district boards in Bengal. Again, during the post-Reform period, the local bodies were deprived of the assistance of the revenue and other staffs of the Government. (India in 1924-25.)

The increase of prices, rendered the Provincial Government unable to give them substantial grants in aid. The value of grants in aid cannot be ascertained. In England the system of Exchequer grants for specific services has been an important reason for the prosperity of local bodies. As Dr. Gibbon has rightly pointed out, such grants are based on the principle that local bodies are semi-national institutions, and are specially marked in the case of police, education, roads, in the newer services of public health and in the special post-war grants for housing and small holdings.

But the chief handicap from which Indian local bodies are suffering is due to the fact that their tax resources are far from adequate. The profession tax, levied with indifferent success by the union boards, may well be replaced by either (1) an addition to income tax, or (2) a local income tax from persons earning between rupees 300 to rupees 2,000. But the money thus collected ought as far as possible be spent in the local areas.

In Germany, local additions to income tax in towns and country communes, are their largest source of income. In India, as it is, the ryot alone pays the bulk of the local taxation. Until recently professional classes paid no taxes, and even to-day the amount collected by them by way of profession tax is negligible. Railways, factories, rice-mills, practically escape scot-free.

It may therefore be interesting to know how a local income tax is levied and collected in Germany. In Germany communes may tax in regard to their additional hundredths incomes below the maximum fixed by the State income tax. State officers make the assessment. The tax is graduated and is paid by those who reside in the communes for three months or more, and also by those who do not reside but have property or business, and by companies, including State public

## Local Finance

utility companies. To make the assessment thorough, house owners are bound to report the names of those living in their houses, and employers must report the names of those with incomes not exceeding a fixed sum. To deal with difficulties that may arise, there is a detailed code of rules, and, in addition, there is a close supervision of property and other sources of revenue (Dawson, "Municipal Life in Germany") combined with a system of registration of property.

Now one point in favour of a local income tax is that it prevents people crowding together in particular areas. The German system is based on the principle of taxing at the destination of income. To transplant this system is not easy in countries like Great Britain with an income tax based on the principle of collection at source, the main objection to a local income tax lying in the fact that it is difficult to localise income, especially in the case of commercial people. In case a local addition to income tax is to be levied, the income tax establishment must undertake the task for a commission. Just as in the case of union boards, there are rules empowering the presidents to use village officers, instead of a separate agency, to collect their taxes. Land-cess, at present forms the mainstay of the finance of rural boards. The Taxation Enquiry Committee has pointed out that as recommendations have been made for the standardisation of the rates of land revenue at a comparatively low rate, the existing maximum on the local cess can be removed, or that the rates be raised to at least  $6\frac{1}{2}$  per cent. of the annual value which is the rate collected by local boards in Bengal, Bihar and Orissa.

Until this recommendation is given effect to, I would recommend the following changes in the administration and collection of cess. At present the cess bears a definite proportion to annual rental value of the land, and the Madras Local Boards Act has defined what annual value is. In Ryot areas it means the assessment payable to Government together with water rate charged for its irrigation. In Imam lands, it means its full assessment, if it was not Imam. In Zamindari lands it is the rent paid by the ryot to the Zemindar. The defect of the cess is that it is not graduated. At present the tenant pays half and the Zemindar pays half of the cess amount. I would recommend that the rate on Zemindars be doubled, and that a higher rate may be imposed on cultivators paying an assessment of Rs. 100, the rates rising progressively on assessments of Rs. 200, 300, 400, and so forth. These two suggestions will not materially add to the cost of collection.

Taxes on sales are sometimes recommended as a suitable subject of local taxation. In Burma the largest item of municipal taxation is taken indirectly in the shape of a tax on sales, through the auctioning of the use of stalls in municipal markets.

## Public Administration

Now there are three ways in which such a tax on sales may be levied:—

- (1) As a tax on all transactions it may be levied.
- (2) As a tax on wholesale transactions only.
- (3) As a tax on retail sales.

For tax on wholesale transactions the condition would be to register and license all persons conducting sales of the former kind, to require them to keep accounts. Now what would be affected by a tax of this type would be only the consumption of the consumers of goods, sold by wholesale within the local area, whether resident in it or not, while the consumption of the inhabitants of the local area of goods not sold wholesale would escape. "A retailer cannot in India tell what his turnover was, and even if he could be presumed competent to compile an accurate return for purposes of this tax, the means by which his return could be checked or verified would be entirely lacking." (Taxation Enquiry Committee Report, Vol. II, p. 277.)

It has been suggested that by a system of licences virtually on sales, tax can be suggested. Unfortunately, this suggestion has not been acted upon by local bodies in South India. In the case of the larger traders, if they rendered accounts, a certain amount may be deducted. The licence might be quarterly or half-yearly, with the option to make it monthly in the case of persons trading in the locality only for temporary periods.

The Registrar-General of Panchayats, in his evidence before the Taxation Enquiry Committee, has advocated that Panchayats might well explore the possibilities of a retail sales tax. This may, however, be possible only in select villages, or at times of fairs.

For a long time in the nineteenth century a tax on imports of produce in villages was prevalent in many parts of South India, and was an item of contribution to the ancient village fund.

Two fertile sources of income for local bodies in future would be through (1) licence fees from motor vehicles; (2) by the local bodies themselves undertaking bus services, *e.g.*, as in Tanjore and Ranmed Districts.

### PANCHAYATS.

The powers of taxation vested in these bodies are in some places permissive, and in some cases obligatory. The Madras Act gives the option to a Panchayat to choose any tax, out of many, which are specified. The Bombay Act, on the other hand, lays down that in every village a house tax shall be levied. In Mysore the optional principle is followed, in that the taxpayer is given the choice to commute the payment into a contribution of labour not exceeding 18 days.

Several suggestions have been made to add to the sources of

## *Local Finance of South India*

Panchayats, in Madras, since they came into existence under the Act of 1920 (1) division of the proceeds of land revenue; (2) utilisation of land cess by the Panchayat; (3) conservation of communal income; (4) mobilisation of communal labour; (5) assignment of certain heads of revenue.

The Decentralisation Commission, and subsequently the Government of India, have suggested that a portion of the land cess collected by the local bodies may be made over to the Panchayat. We hope this suggestion will be carried into effect in the forthcoming Panchayat Act in Madras.

The suggestion of series of conferences of the Panchayats that a portion of the proceeds of land revenue must be earmarked for Panchayats is, I submit, open to criticism.

(1) If the division of land revenue is going to be according to population the richer villages would be getting more than they require.

(2) Again, there is no guarantee that the amount will be wisely spent.

If Panchayats are to fully exploit the resources of their locality, it is unnecessary to retain artificial agencies such as village unions, sanitary committees, as in Bombay. The existence of numerous local organisations in the same area explains the backwardness of Bombay in the development of Panchayats.

In America special assessments are becoming a conspicuous feature of local taxation. For a public improvement that distinctly enhances the value of property, it cannot be unfair to bear a share of the burden of that improvement. All local boards are not equal in the matter of their tax resources. The provincial legislative may well content itself by describing their general field of taxation, leaving them free to experiment in any particular direction. But this "local option in taxation" may be carried to an extreme. Local bodies must not be allowed to imperil the interests of the Provincial Government or of business through their application of taxing power.

Again, such experiments in local taxation ought not to jeopardise the rights of non-residents. Low taxation of property and income may easily operate as an attraction in one locality in preference to another.

Grants in aid of local bodies' expenditure are not substantial.

1926-27.	Salem District Board ...	25%
Percentage of Government Grant	Kistna ... ..	27%
to Ordinary Expenditure.	Medina ... ..	28%

(See Appendix A for grants in aid in other countries.)

In England grants in aid of the resources of local bodies are far more substantial. Possibly the dictum of the Financial Relations

## *Public Administration*

Committee (Madras) of 1920 that "No grants should be sanctioned except on a clear understanding that the Government are at liberty to reduce or withdraw them if the services for which they are intended are not efficiently administered is responsible for this policy. Now it is upon the development of the sense of local responsibility that local government primarily depends. I would therefore urge a more generous distribution of grants in aid by the Provincial Government. The American system of local finance is one of complete administrative decentralisation made good by a system of legislative centralisation to the most minute details. In that country, therefore, grants in aid do not mean that State authorities can impose conditions on the city authorities.

As things stand a satisfactory instance of government grants is to be found in the case of Panchayat schools. In the case of these schools the Government pays a maximum salary of Rs. 15 per teacher and an initial equipment grant of Rs. 80 per school. The Panchayat provides accommodation and meets all other expenditure.

The official report on the working of Panchayats for 1926-27 points out "the experience of these schools has been more than encouraging and furnishes not a little justification for the hope entertained that along the lines of these schools may be the correct solution of the twin problems of the proper authority for managing public elementary schools, and of the equitable distribution of the financial burden of elementary education."

The method of granting aid now in favour is on the basis of a proportion of the expenditure for specific purposes. Certain publicists have suggested another method of distributing grants. According to this method grants would be fixed sums, bearing some relation to the revenue-paying capacity of the population and given without those conditions which sometimes at present have a mischievous effect on the financial judgment of local authorities, and tempt them to embark on extravagant schemes. This method is however open to criticism, for it may be urged that this method of administration of grants in aid may hamper the development of backward districts.

### CONCLUSION.

In all schemes of local taxation there ought to be a certain amount of caution. Difficulties may arise as a result of local taxes like surcharges on liquor, sold in the village shop; import and export duties on articles despatched from or received in the village; taxes on income and other personal taxes. Again, it must be remembered that though local authorities ought not to be dependent on provincial doles between reduced local taxation and social benefits or amenities, the taxpayer in India will prefer the former.



# Problems Associated with the Development of Administrators, and the Training of Staff

By F. B. LEE

*Deputy Commissioner of Income Taxes in South Australia*

*[Winning Essay (Members' Division) in the Sir George Murray Competition organised by the South Australian Regional Group of the Institute of Public Administration]*

PROBLEMS of Administration confront each branch of the Public Service, but having regard to the nature of the association which citizens have with revenue departments it is not inaccurate to classify taxing departments as ones which demand administrators possessing special ability, and staff equipped with more than ordinary training.

To secure administrators, and to obtain, train, and retain staff of the calibre indicated is a task, the accomplishment of which can result only by the surmounting of major difficulties connected with such phases as adequate salaries, attractive promotion, and reasonable security of tenure.

The British Economic Mission which visited Australia during 1928 in its report to the Commonwealth Prime Minister dealt with the subjects of recruitment, promotion and control of the Public Service. The Mission regarded a capable Public Service as an essential part of a well-ordered system of administration in any country. It instanced that the true function of the senior civil servant, as distinguished from the clerical or junior staff, was to provide, not only the necessary administrative experience, but to act as a link in continuity of policy between successive Ministers, and successive governments.

The Mission offered the opinion that the class of men necessary for government administrative work had to be caught young, and properly trained, and it suggested that the Australian Civil Services would be strengthened by the introduction of a "Cadre" of men of higher educational qualifications than those possessed by the present recruits to the Service, with a view to the performance by them of the higher duties of the Service.

## *Public Administration*

The Report did not escape notice as the Associated Chambers of Commerce of Australia suggested to the Government the need for attention to be paid to the observations and recommendations of the Mission as to the public service.

A perusal of the reports furnished pursuant to statute by the Commonwealth Public Service Board of Commissioners leaves no room for doubt that the recruitment for the service, and the subsequent training of officers, are matters which are regarded as of paramount importance by the Board.

In an address delivered before the Institute of Public Administration in Adelaide one of the Commonwealth Public Service inspectors stated that it was the aim of the Public Service Board to raise the standard of efficiency of its officers, and with this end in view the Board granted each year in each State free places at the university, thus enabling officers to study for diplomas or degrees. Arrangements were made for the officials to attend lectures, but each official was required to enter into an undertaking to remain with the Commonwealth service for a fixed number of years after he had obtained the diploma or degree.

Commonwealth Taxation Acts require reports on the workings of the Act to be furnished to Parliament annually, and from time to time, the subject of efficient staffing has been mentioned by the Taxation Commissioners of the day in terms such as—

“ The conclusion is unavoidable that it is a mistake to attempt to carry on by successive relays of temporary employees, so intricate, important and confidential duties which form the staple work of the Commonwealth Land Tax Department ” (3rd Report);  
and

“ All permanent officers of the Taxation Department are encouraged to study accountancy, as this means the commercial public is able to have all its accountancy points properly appreciated when they are submitted ” (6th Report).

The need for care in the selection of staff for taxation investigations was a matter which merited the attention of a sub-committee of the Federal Economy Commission. After emphasising the importance of the duties of an investigator, the Committee recommended “ that the men to be utilised on investigations should be selected from persons of mature judgment, who were fully qualified accountants, and who possessed reasonably good experience of commercial practice.”

Lord Haldane is credited with having said that the changing conditions of the world in the twentieth century made higher instruction more necessary than formerly, as in many spheres of life where natural capacity and special qualities of character such as energy and courage may have sufficed in the past, the possession of special knowledge,

## *Development of Administrators*

and the application of trained intelligence, were now absolutely necessary for success.

The technicalities of revenue laws are such that the ascertainment of the particular facts, the assembling of the appropriate figures, and the interpretation and application of the relating taxing enactments call for officials whose natural ability is not limited, whose educational and official training are beyond the ordinary, whose analytical powers are developed, and whose judgment is sound.

There is an abundance of judicial dicta relative to the responsibility cast by the legislature upon the taxing official. The present Chief Justice of the High Court of Australia (Sir Isaac Isaacs) found occasion in one case to observe—

“ that the Commissioner is empowered and directed to assess a taxpayer, and he, it is assumed does so, after careful consideration, and with experienced aid, and with that general, practical, and varied knowledge of business, and affairs, which he must inevitably gain in the course of discharging his duties.”

It is not rare for Taxing Acts to refuse immunity from assessment pending the demonstration to the satisfaction of the Commissioner that specified procedure has been followed, and it is not uncommon for liability to assessment to be dependent upon the belief of the Commissioner as to the existence of facts.

In a case which arose out of the formation of a belief by a taxing commissioner, Sir Isaac Isaacs remarked that—

“ the Commissioner’s function is to administer the Act with solicitude for the public Treasury, and with fairness to the taxpayers. He is the actual men trusted by the Legislature, and charged with the duty of forming a belief for the purpose of determining whether he should proceed to collect what is strictly due by law. Unless the ground or material on which his belief is based is found to be so irrational as not to be worthy of being called a reason by any honest man, his conclusion that it constitutes a sufficient reason cannot be over-ridden.”

It has been asserted that the public servant thirsts for power over his fellow men, and loses no opportunity of sapping the freedom of the public by extending the tentacles of bureaucracy, and since Lord Hewart wrote on the subject termed “ The New Despotism ” publicity has not been lacking for criticism of statutory provisions which made the assessment of an item of income, or the deduction of an expense, or the imposition of a charge, dependent upon the opinion of an official.

The public servant entrusted with the duty of determining these matters may ponder with advantage a creed expressed by Dr. Finer in these words—

## *Public Administration*

"Since only what best serves the State is best, it is a breach of official faith to show favouritism or jealousy in the course of official duties on grounds of race, creed, class, sex or family ties. Tolerant and kindly to the public he serves, the civil servant must use his official authority no more than the needs of the Service require, and repress the impulse of personal dominion, since his command is held only as a trust for society."

Influenced by such a creed an administrative official equipped with proper training and possessed of mature judgment may determine with confidence the question claiming his decision secure in the knowledge that the judiciary has laid down that hardship resulting from the true interpretation of an Act is a matter for the Legislature to relieve—if it be so minded—and not for the interpreter to sympathetically adjust.

Sir Ernest Gowers in a paper read before the Institution of Public Administration said it would be idle to expect that the income tax law can ever be embodied in statutes in a simple form, several causes combining to make income tax legislation peculiarly obscure and complicated. Two reasons for its complexity were given, the first reason being that the conditions of the modern industrial world were themselves so complicated that no system of taxing income could ever possibly be effective and equitable, and at the same time be simple, whilst the second reason was that the law was full of special provisions to meet exceptional cases in which the general principles of the tax worked harshly.

The plea for simplicity in taxation legislation and forms was commented upon by Sir Josiah Stamp in these words—

"It may not be out of place to register a deliberate opinion that the clamour for a simple income tax, which he who runs may read, is an absurd one. Modern life, and modern commerce are so complex and so diversified that to expect a tax form which shall read like a pill advertisement on the railway, and yet close down upon every case is asking for the moon."

The initial difficulty of selecting staff of a type suitable for a technical department has been mentioned, but the difficulty associated with the subsequent training for executive and administrative positions is of greater magnitude.

That it is desirable for public servants to obtain university instruction has been stressed elsewhere, and the creation of courses in commerce and administration has provided an opportunity for the acquisition of knowledge which many have grasped with avidity. The subjects comprised in those courses should develop to no slight extent the mind of the student, but evidence is not lacking that the acquisition of knowledge of departmental procedure and interpretation is not sought so enthusiastically by the official who is a university student.

## *Development of Administrators*

The tendency has been noted—and it is growing—amongst students to regard the acquisition of a diploma as placing them beyond the need to become proficient in official knowledge. To curb effectively this tendency it should be an obligation on the part of the student to satisfy the university, by production of a certificate from the head of the department, that the acquisition of official knowledge is being gained at a rate which bears favourable comparison with the rate of university training, and the failure, or inability, of the student to produce such a certificate should be a bar to taking the university examinations.

Should the official neglect his departmental training the occasion must arise when its absence will prove sufficient—notwithstanding the possession of the diploma—to turn the scales against him should his rival for promotion possess that official knowledge which is so essential for the proper performance of the technical work of a revenue department.

It was Disraeli who said, "the secret of success in life is for a man to be ready for opportunity when it comes."

An efficient promotion system is one that induces good work by reason of the knowledge that worthy efforts will be recognised by giving promotion. Although an official may enjoy the reputation of working for the love of the task, he has hopes, none the less, that his performance will not be unrecognised.

To ignore the worth of such an official, and to promote a student by reason only that the student possessed a diploma would not be right, neither would it tend ultimately to departmental efficiency.

Associated closely with the question of departmental training in revenue matters is the question of retention of staff.

By reason of the specialised knowledge acquired in a revenue department the commercial and professional world extends a beckoning finger to the official eager to exchange the comparative security of a service position for the scope awaiting him outside, and many a bright servant has transferred his activities, so attractive—on occasions—has been the prospect.

In a report to Parliament the Taxation Commissioner has stated that neither the Commonwealth Government nor the Taxation Department has been able to exercise any restraint upon officers of the Commonwealth Public Service resigning to enter into private practice as accountants.

A comprehensive scheme of training in taxation or revenue knowledge should be extended to those officials only who are bound by agreement to remain in the Service for a specified period, and this phase of administrative training is one worthy of the most thoughtful consideration, as it may be asserted that the executive officer of

## *Public Administration*

capacity is the one who has combined a university training with a specialised technical training in the department.

Professor Alexander Gray in dealing with the subject of education and the Civil Service stresses the importance of specialised education, and warns against the charge of one-sidedness. In emphasising the need for comprehensive mental development the Professor states there is an enormous difference in the reaction on the public between the administrator who knows his daily job and no more, and one who sees his work properly illumined in its right proportion and in its due relation with all other questions.

Sufficient has been stated to focus attention on the imperative need to educate the official—particularly the recruit—and to develop him so that the difficult tasks which fall to him for performance will be done accurately, and efficiently.

Selection of staff must not be haphazard. A business magnate in apologising on one occasion for his late arrival for lunch attributed his detention to the necessity of selecting a junior clerk. Upon his friend expressing astonishment that he should devote time to such a task, the magnate justified his personal attention by describing his junior clerks of to-day as his executives of the future.

The training of the juniors should be undertaken sympathetically. Sir Josiah Stamp in instancing an incident, in his career, of an inspector passing over without praise a delicate piece of work which had required judgment for its successful performance, but reprimanding him for a routine defect, said such an incident raised the question whether a man who is responsible for the supervision of work should not pull himself up constantly, and ask whether he is judging his staff on form rather than on substance.

Provided he is imbued with high ideals the administrator, possessed of a staff blessed with university and departmental training, has presented to him the opportunity of rendering, through the normal functioning of his department, service to the community of a standard sufficiently high to remove from the public mind the impression that a Government department is an institution whose stock in trade is red tape, and whose motto is circumlocution, and to create in lieu thereof, the positive knowledge that government service connotes efficient service.

May the immediate future bring a recognition of the truth that universal efficiency in the Government Service will be achieved only by means of sympathetic co-operation between the university professor, the Service administrator, and the public servant, resulting in each phase of mental development being viewed in its correct perspective.



# The Case for the Supply Department

By H. S. SADLER, A.F.I.A., A.A.I.S.

*Public Stores Department*

*[Winning essay (Associates' Division) in the Sir George Murray Competition, organised by the South Australian Regional Group of the Institution of Public Administration]*

**B**USINESS of all kinds measures its prosperity, not so much by its ability to produce, as by the ability of the public to absorb its production. The purchases made by Government departments largely reflect the general prosperity of the country. There is hardly anything that the Government does not buy, and when it purchases are relatively large, it contributes to prosperity in virtually all industries, making possible the employment of more labour, and absorbing the production of more materials.

Centralised purchasing has been adopted by all successful commercial concerns as the most practical and economical method; State Governments and other large organisations are scrapping the antiquated methods of allowing each department to do its own buying. The advantages are numerous and, in the present day of progress, the old methods are now considered obsolete as the trend is towards centralisation of responsibility. Original sources of supply will seek the business of the consumer where it is only necessary to do so through one channel. This in itself makes the business of purchasing stores and materials more attractive, due to the purchases being centralised and by combining requirements to the fullest extent, economies are obviously effected. The consolidating of all purchases under one centralised purchasing office, offers an opportunity for saving that cannot be overlooked. Every apparent disadvantage can be met or overcome without detracting from the net results of economy and efficiency; distance no longer offers any serious obstacle.

In a book entitled "Scientific Purchasing" (Gushee and Boffey), published in America some time ago, the principal points of purchasing are set out as follows:—

1. What to buy.
2. When to buy.

## *Public Administration*

3. Where to buy.
4. How much to buy.
5. How much to pay.

It is significant to note that price is named last. Whether it should or should not be placed in that order is questionable. Certainly it should not be given first preference. A substantial difference might be a controlling factor; while a small difference might be outweighed by other considerations. There can be no question that suitability and service should come first. The principal function of the purchasing officer is to provide material and supplies of the right kind for maintenance, operation and construction. While also of great importance, the function of purchasing at favourable prices is secondary.

It is needless here to stress the point that savings in first costs may be outweighed by increases in departmental costs if the material is of poor quality, unsuitable for requirements, and otherwise uneconomical. The real test in nearly every case is not the first cost per ton, per foot, or per gallon, but the ultimate net cost per unit of service.

Constructive purchasing is not merely procuring the material requisitioned for, nor is it necessarily procuring the lowest priced article available for the particular use, nor is it purchasing the highest priced article, assuming that a higher price reflects a higher value—it is the obtaining of material after careful analysis of requirements based on a thorough knowledge of the particular use. The lowest priced article is seldom economy, correspondingly the highest priced article is not always economy. The practical knowledge of the experienced buyer will in nearly every instance ferret out the articles which represent the best buying in the long run.

There are some duties connected with Government purchasing that are more important than the issuing of inquiries, interviewing suppliers, comparing prices, and placing orders. That is only a part of the mechanical routine of the stores department, and does not call for any high order of ability, but it is too frequently considered to constitute the measure of the purchaser's performance. There are certain other duties which every purchaser owes to himself as well as to the Government which employs him, if he is to render the best service of which he is capable, and raise his office to its proper level in the organisation.

No experienced buyer will place an order for material of any kind merely because the price is low. Material that is cheapest in first cost is frequently the most expensive in the end. The discriminating buyer realises that he must purchase safety, long service, and freedom from expensive repairs, as well as the material itself. On such a basis a somewhat increased first cost often proves to be a judicious invest-

## *The Case for the Supply Department*

ment, and results in increased service with its consequent advantages. Unless quality is given equal consideration with price in forming a decision the money is apt to be squandered instead of being wisely invested. The most wasteful practice is to consider price alone as the governing factor, and the most expensive is to be guided wholly by quality; both must be considered in their proper relation to economical service.

The man who said that "competition is the life of trade" should have qualified the phrase with the adjective "fair," which would have made it more nearly correct, for there are at least two kinds of competition as every experienced purchaser has discovered.

One of the first things a purchaser is taught is to develop and encourage competition as an important factor in economical buying, but there his education invariably stops. What he has to find out for himself is that competition may be fatal to true economy, as well as helpful. Competition that is calculated to do ultimate harm to those actively engaged in it invariably reacts harmfully on the instigator. Everything depends on the kind of competition he seeks to engender; the right kind or the wrong kind; the fair or the unfair. Fair and right competition is confined solely to merit based on quality and price. The minute anything else enters into it, it becomes unfair and injurious. Competition works both ways. Every purchaser who has honestly sought to secure the benefits of legitimate competition by placing orders strictly on the basis of merit is familiar with the competitor who has offered inferior materials at a slightly lower price than his rivals, and when he loses the business endeavours to convince the head of the department that his purchasing officer has been biased in his handling of the matter.

A purchaser who has kept abreast of the substantial progress in purchasing in recent years, especially since the war, knows that price, while highly important, is only one with several other factors which singly or together may outweigh it in importance. Yet in an interview with a manufacturer's representative, the purchaser is not likely, for tactical reasons, to admit that price is not the controlling element. He quite properly aims at a favourable price, and it would be poor tactics to say to the representative, "Yes, I know that your produce is the best on the market. The engineer has strongly recommended it. The head of the department concerned insists on it being ordered. What is your best price?" He would hardly thus play into the hands of the seller and weaken his own bargaining power. The manufacturer's representative, however, not knowing what is in the purchasing officer's mind is disturbed because he feels that the latter is shortsighted in narrowing the discussion to price. The seller may not realise that the purchaser is quite satisfied as to quality and service,

## *Public Administration*

and at the moment is only interested in finding out the lowest price the seller is able to quote.

The greatest obstacle to effective control of the investment in stores and materials is the practice of entrusting the custody and handling of a portion of the stock to the operating officials and permitting them to account for its disbursement. The invariable outcome of this practice is the purchase of large quantities of supplies in estimated future requirements, which are usually made without due consideration of past performance or present conditions, and with no exact knowledge of the situation outside of certain limited areas. These officials are authorised to requisition for material for possible future needs which may, in fact, never develop, but the stores department has no alternative save to honour them. Perfunctory questioning of such demand is only a useless gesture, because the final decision rests with the officer who approved the requisition, and the frequent consequence is an unnecessary purchase. The remedy for these conditions is the removal of the functions of providing and accounting for materials from the domain of consuming officers, and restricting their requisitions to only such material as is required for specific work, which they have been authorised to do. The underlying principle of successful stock regulation is the separation of those who use the material from all connection with its procuring, custody, and distribution, and the concentration of all authority over such matters in the stores department. Halfway measures are of no avail. It was divided authority that produced the conditions which made the supply department a necessity in every large organisation. It is the emergency stock of unapplied material in the custody of the users, that prevents an effective regulation of the material. They have proved in many cases to be unnecessary and wasteful. Successful control of the big investment in stores and materials demands their elimination. This is the most important task that faces the supply department to-day.

The stores department, like the other departments, has a special line of work assigned to it, and it is expected to do this work in the best way and the most economical way possible, but it must constantly keep in mind that its first duty is to do the particular line of work which is assigned to it; do it economically, but do it. To be able to furnish the material that is needed for the general run of work of Government departments, at the time it is needed in the quantities needed, and at the places where it is needed. If the supply department does this, it can be said to be reasonably successful; if it accomplishes this at small cost and with reduced cost of handling its success is, of course, greater. This is the ideal which must constantly be in the mind of the stores man who is trying to do his job properly.

It has always been my opinion that a shortage of material, to a

## *The Case for the Supply Department*

reasonable extent, is more desirable than an over-supply; in fact it is questionable whether any officer can be truly economical who is furnished in profusion with everything he wants. I am convinced that by more thorough and responsible inspection, and as careful and thorough a check made of deliveries as is made of the price, there will be brought about a tremendous reduction in the investment in stores and materials which will in no way impair the service. At the same time it will reduce expenses and losses, such as handling, carrying charges, obsolescence, &c., which it is calculated by competent experts amounts to at least 15 per cent. on the investment.

Why is it that business men will carefully safeguard their "cash," holding employees strictly accountable for every penny, and yet when they turn part of this cash into stores and materials they lose a considerable part of their watchfulness, and take less pains to protect themselves from the loss of this transformed capital.

One of the fallacies indulged in by the average operating officer seems to be that he does not regard money expended for materials as being money spent until it appears in and affects his costs. To this fallacy is attributed much of the apparent lack of interest on the part of the managing executives to bestow the same careful attention on the stocks of material which are accumulated by their subordinates as they give to the other details of their departments. As soon as money has been transformed into material it has apparently lost all value until it reappears in the shape of costs. The money spent for stores and materials is the same kind of money and may be obtained in the same way as the money that is spent for labour, and requisitions for purchases should be scrutinised with the same care and attention that is given to the wages bill. It too frequently happens that our gaze is focused so persistently upon the pennies involved in wages and salaries that we fail to see the shillings in their converted form which are being lost through inadequate supervision and imperfect methods in the purchase and handling of material.

For many years it was one of the accepted theories that the users of material were the ones best qualified to determine the amount which it was desirable to provide for future use, to care for the material which had been provided, and to account for its ultimate disposition, and it is an admitted fact that to this theory is due the unnecessarily large accumulation of material found in many departments. This work can be more economically and efficiently performed by an organisation specially trained and devoting its entire attention exclusively to that feature of the business, working independently, but in co-ordination with those departments whose functions include the using of stores and materials.

Not only is the success of the stores department based on the

## *Public Administration*

material it can furnish, but to a very large extent the success of the other departments requiring material, is based on the ability of the supply branch to furnish the material that is needed. Where the stores department is thoroughly organised it is especially important that they maintain stocks, for it follows the more thoroughly organised the stores department is the less material will be in possession of the other departments, and unless the stores department has the material to supply then there is little likelihood of its being available elsewhere in the organisation, and it is quite likely the work which is to be done will have to be done in some way that will perhaps be more expensive; either by using material that is not proper for the work, or by using some makeshift until the material is available.

The stores department always has been and must be willing at all times to work for the Service as a whole, and not for the record of the stores department only. They must be willing to sacrifice their own good showing at times, in order that the other departments may be able to function to better advantage; which in many cases means that the Service as a whole is functioning to better advantage. The fact that the supply department has enabled the other departments to give better service and to function better in their own field of activity is what the department must work for. The measure of success does not lie in the success of the stores department as much as it does in the success of all of the departments.

A great deal has been written and a great deal more has been said about reducing stocks, and in this way reduce the cost of carrying the material necessary for the operations of all departments. To keep stocks to a minimum and reduce the carrying costs is a phase of stores department work which is so important that every member of that department has a right to give it a fair portion of his time and of his energy, and therein is the difficulty because this phase is so important it is quite possible that the stores man may over-emphasise this and treat it as if it were the outstanding work, while in reality this and every other branch of stores work must be subordinated to the chief purpose for which the stores department is organised, and that is to maintain supplies.

To quite an extent the supply department is constantly being questioned on its handling costs, and it is likely that undue importance is placed on the reduction in the cost of handling as this is another item that can easily be calculated, and by comparing the cost per hundred pounds' worth of material for this month with the preceding months or the same months in preceding years. The reduction in stocks and the reduced costs of handling are items that by all means should be given close attention, for of the several things to be accomplished by the stores department, these are two of the most important. But



## *The Case for the Supply Department*

regardless of their importance they must take second place to the all-important item of maintaining supplies. Any saving that is bought at the price of reduced service, is questionable and the supply department must make sure that its service comes first. As the first duty of the stores department is to be able to supply the reasonable demands of the other departments for material, it should by all means make sure that this part of its work is given first attention. When this has been done it can then devote its efforts to reduction of stocks and any other of the desirable items in connection with stores work.

There is a desire on the part of the officers of all departments to make good, and the men in the stores department have this ambition as much or even more than the men in the other departments, and it is exceedingly difficult to make a real showing by building up or maintaining an adequate stock, for it is impossible to show in pounds, shillings and pence, the savings or benefit to other departments that is obtained by having sufficient supplies on hand, it is quite likely that the stores man will turn to those lines of his work where he can make a showing and where a saving can be definitely shown.

The chief purpose of an organised stores department is to keep the investment in stores and materials within the limits of necessity, and not, as many are accustomed to think, to unquestionably satisfy every demand of those who use the material, regardless of expense, because sometimes these demands are excessive and unreasonable. It is not reasonable, for instance, to insist on the delivery of all the requisite material before starting on work that will occupy several months, and it is excessive to order, for any reason, more than the work will actually require, yet both of these things occasionally happen. Forced economy in all operations is the order of the day, and the stores department working on the right principles is a weapon of economy of unlimited power. Not only does it enable the release of large amounts of capital from unproductive employment, but it reduces the unprofitable expense of handling and caring for the material.

One of the first duties of the chief stores officer in any large organisation should be to surround himself with efficient assistants who are competent to relieve him of the daily office details, and capable of properly carrying on the business in his absence. This leaves him free to exercise general supervision of the work and to devote large portions of his time to the more important negotiations and to matters of policy and education. The latter word is used advisedly. Not only must the successful stores executive pursue a continual course of self-education, but by constant intercourse with the officers of other departments strive to educate them in the commercial aspects of their work with which he comes in closer contact.

One notes with pleasure the gradual tearing down of the fences

## *Public Administration*

which formerly existed between departments, and the realisation that while there are many departments there is only one Treasury or common cash box, and the final deciding factor is what is best for the service as a whole.

Someone has classified co-operation into two groups, forced and sympathetic. We all know from experience that nothing of consequence is accomplished by force. The service of supply is largely dependent upon the co-operative spirit. Not only must the stores department co-operate with the using departments, but if the stocks are to be controlled, it must also have the whole-hearted co-operation of the using departments. On the other hand, using departments must take the stores department into their confidence. Advance notice of work to be performed, with allowance of sufficient time to procure materials, prompt advice when plans are changed, opportunity afforded to work off stocks on hand before changes in practice are put into effect, co-operation in standardising and simplifying stocks, are some of the ways by which the using departments can assist the supply department.

The user should become familiar with the operations of the stores department and its problems, and in this way come to realise the difficulties encountered frequently in rendering adequate service. Too often is the remark made by an engineer or other user of stores and materials, "I'm not interested in how you procure this material; what I want to know is, when do I get it?" This is not a helpful attitude and has a tendency to create antagonistic feeling, and when an emergency arises the wholehearted helpful spirit is missing, with the result that maximum service is not obtained.

The stores department officials expect the user to tell them of its faults before telling others. These officers must be broad-minded enough to welcome any constructive criticism that the user of material desires to give them. Very often it happens that these suggestions prove invaluable. It should also be remembered that each is the possessor of information vital to the other, and there should be a clear understanding that each has its own function that should not be jeopardised for the benefit of the other.

No stores officer can be of practical benefit (as practical or well trained as he may be) if he and his entire department are not first recognised and supported by the administration. In its effort for practicability is found a sufficient interest to find out what is best for the purpose of use, how the item is used and whether it best fits. Illustrations of this would fill a book and be a monument to the "aliveness" of the modern supply department. The consuming department must be dumb indeed if it considers the efforts of the supply department is interfering. Of course the personal equation is

## *The Case for the Supply Department*

a factor, for some people cannot do much of anything without being offensive, but I am talking of the men who are big enough not to be offensive.

No suggestion should be left uninvestigated that tends towards more efficient and economical service and regardless of personal traditions and precedents if some better way is developed of doing some particular job. If it has merit, and if it does produce greater economies, there should be no hesitation in trying it out, for the answer that can be given as to economy in purchasing, distribution, and care of materials and supplies will in a large measure govern the judgment of the public as to the effectiveness of public administration as we know it.

Good operation means practical application of effort, recognition of ability, the simplest possible form of organisation, and above all firm, just, and accomplished leadership. Over-organisation and red tape have no place, nor has under-organisation and lack of supervision. Action is imperative, but proper and prompt action more so. The stores department is, can, or will be practical if allowed to be. It can purchase the millions invested annually in supplies and make large contributions to the benefit of net savings if allowed to. That's the department's business. It is up to the department to know its business and better than any other can know it. The officers of the supply department must so demonstrate their ability. It is not a case of fad and fancy, nor of spending money. It's the opposite—doing what is necessary to be done in the simplest and most direct way possible the knowledge of what and how to do and in using the facilities of departments served.

As a matter of fact the successful operation of all departments in a Government organisation is based to-day more on personnel than on any other factor. So the development within the supply department of a spirit of interest and enthusiasm and a feeling that "this is my own business" will be a most potent factor in more efficiently controlling the investment in material, and at the same time giving greater service to the State. In these days when our highly organised industrial civilisation tends to swallow up the individual it is the wise executive who take steps to preserve in the hearts of his assistants that enthusiasm and personal interest of "running my own business." I do not want to give the impression that the stores man's problems are over-burdensome and condemn him to a weary life. He can probably never solve them all completely and to his satisfaction; they are ever-changing and sometimes new, but always engrossing and inspiring. His calling has scope enough to afford the widest field for a man's brains, energies, and aspirations.

In a book entitled "The Spirit of the House," published by Mr. H.

## *Public Administration*

Gordon Selfridge (head of the huge Selfridge emporium in London), the writer enunciated a Philosophy of Business, portions of which are well worth repeating—

“ To look upon each minute as precious and to be exchanged only for its full equivalent in progress—to develop continually every faculty which helps to build greater judgment, energy, determination, imagination and good cheer, for each is necessary to the strong happy individual—to look upon idleness with disrespect, as a waste of time, the only commodity of which every one has an equal amount—to strive for higher standards and ideals—to look upon the bright side of things and be optimists in the best meaning of the word—to think always broadmindedly and scorn narrowmindedness, meanness and jealousy—to be just and to despise injustice—to appreciate fully intelligence, originality, loyalty—recognising merit and merit only as the door of advancement—to acknowledge no obstacle as insurmountable which stands in the way of progress.

“ Back of the beating hammer  
By which the steel is wrought,  
Back of the workshop's clamour  
The seeker may find the thought,  
The thought that is ever master  
Of iron and steel and steam,  
That rises above disaster,  
And tramples it under heel.

Back of the motor's humming,  
Back of the bells that ring,  
Back of the hammer's drumming,  
Back of the cranes that sing,  
There is the eye which scans them,  
Watching through stress and strain,  
There is the mind which plans them,  
Back of the brawn, the brain.

Might of the roaring boiler,  
Force of the engines thrust,  
Strength of the sweating toiler,  
Greatly in these we trust;  
But back of them stands the schemer,  
The thinker, who drives things through;  
Back of the job—the dreamer,  
Who's making the dreams come true.”

## Notes

### INTERNATIONAL CONGRESS OF LOCAL AUTHORITIES, 1932

THE arrangements for the fifth International Congress of Local Authorities, to be held in England in 1932, are well in hand. The invitation was extended to the International Union at the Congress in Spain last year in the name of all the English Associations of Local Authorities and the London County Council, supported by the then Minister of Health, Mr. Neville Chamberlain, and was most cordially accepted.

The Earl of Derby, K.G., is Chairman of the Local Organising Council, which has already held two meetings. It includes representatives of the London County Council and a number of other local authorities, the Association of Municipal Corporations, the Urban and Rural District Councils Associations, the Metropolitan Boroughs' Standing Joint Committee, the Institute of Public Administration, the Society of Town Clerks, the Institute of Municipal Treasurers and Accountants, the National Association of Local Government Officers, the Royal Sanitary Institute, the British Waterworks Association, the Municipal Tramways and Transport Association, the Mental Hospitals Association, the National Fire Brigades Association, the Incorporated Association of Rating and Valuation Officers, the Institution of Public Lighting Engineers, the Institution of Municipal and County Engineers, the Chief Constables Association, the Town Planning Institute, the National Council of Social Service, and the Incorporated Society of Inspectors of Weights and Measures.

It is proposed further to increase the membership of the Council, and a number of individuals of eminence in connection with local government have been invited to join it.

The two subjects to be dealt with at the Congress will be "The Actual Working of Local Authorities" and "The Training and Recruitment of Local Government Officers." A questionnaire on each of these subjects will be circulated to the Union of Local Authorities or similar organisation in each of the countries affiliated to the International Union, and the reports submitted in response to these questionnaires will be co-ordinated by the general reporters, who will be, for the first, Mr. G. Montagu Harris, and for the second, Mr. Parker Morris, town clerk of Westminster. These reports will be

## *Public Administration*

circulated in English, French and German as early as possible before the Congress.

The opening of the Congress will take place on the 23rd May, 1932, and there will be two full days of discussion in the course of that week. These meetings will be held in the Central Buildings, Westminster.

During the remainder of the same week visits will be paid to places of interest in London, such as the Guildhall, the County Hall and the Houses of Parliament, and opportunities will be given for groups of delegates to visit housing schemes, traffic systems and municipal undertakings of all kinds in London and the neighbourhood, day excursions being made to Brighton, Cambridge, Oxford and Windsor, and to Letchworth and Welwyn Garden Cities. Municipal and other receptions will be arranged for the evenings.

For the following week arrangements will be made for tours in different parts of England by groups of delegates, which will be strictly limited in number. The following list of alternative tours has been provisionally adopted, being subject to modification when the special committee, which will be appointed, gets to work upon it:—

Group I.—Leamington, Warwickshire, Birmingham.

Group II.—Bath, Bristol, Cardiff, Glamorgan.

Group III.—Winchester, Hampshire, Southampton, Portsmouth.

Group IV.—Chester, Cheshire, Liverpool.

Group V.—Manchester, Salford, Blackpool, Lancashire.

Group VI.—Sheffield, Leeds, York, East Riding.

Group VII.—Durham, Newcastle, Northumberland.

The authorities of the above-mentioned towns and counties have expressed their willingness to receive the delegates, and municipal hospitality will be given in the various localities. Each of the tours will be so arranged that visitors will see something of the administration of urban and rural district councils as well as of the larger authorities.

Those delegates who can spend a third week in Great Britain will be given the choice of similar tours, either in Scotland (including Edinburgh and Glasgow), the Lake District, or Devon and Cornwall (including Exeter, Torquay and Plymouth).

An illustrated programme will, in due course, be prepared, giving particulars of the various places which may be visited, and delegates will be asked to notify, as early as possible, which groups they would prefer to join, indicating at the same time the types of municipal institution in which they are specially interested.

The Hon. General Secretary to the Congress is Mr. G. Montagu Harris, O.B.E., Ministry of Health, Whitehall, London, S.W.1.



## Reviews

### Public Utilities

- Materials for the Study of Public Utility Economics.* By H. B. DORAN. Pp. xxvii + 975. (Macmillan Company.) 21s.  
*Control of Public Utilities Abroad.* By O. C. HORMELL. Pp. 88. (School of Citizenship and Public Affairs, Syracuse University.) \$1.  
*Standards for Modern Public Utility Franchises.* By JOHN BAUER. Pp. 36. (Municipal Administration Service, New York.) \$0.25.  
*The Administration of Public Utilities.* By A. L. DAKYNS. Pp. 10. (Reprinted from the Journal of Adult Education, October, 1930.)

In the modern development of what Sir William Ashley called "Business Economics" as distinct from "Political Economy," public utilities have come to occupy a special and indeed a conspicuous position. They present a field for study which is important, intelligible, and free on the whole from the disadvantages of that tradition of secrecy which besets the ordinary world of competitive business. Moreover, they possess almost invariably certain characteristics, such as high fixed capital investment, peak loads, elasticity of demand, and scope for differentiation between markets which lend themselves to the elucidation of economic principles.

The cause which has given birth to the great and growing interest in the subject is nevertheless to be found not in its inherent interest but in the efforts of the American people to find some means of controlling those services in private hands which shall be consistent on the one hand with the demands and needs of the consuming public and on the other with the American constitution.

For some thirty years a struggle has been proceeding to reconcile private enterprise with public interest within the framework of a rigid constitution. Such has been the nature of the contest, and such the resources of the combatants, that no principle has been left unchallenged, no issue unraised. One result of this long-drawn-out controversy has been the attempts to enlist public interest in support of one position or the other. "Public interest in these essential enterprises," writes Professor Doran, "was never so great as to-day, but because of their increasing complexity and the very rapidity with which

## Public Administration

changes are taking place, public understanding of the utility industries still leaves much to be desired."

Professor Doran, it is true, addresses himself primarily to the expert—to those who are actively engaged in the management of utility enterprises, and to students who hope to be one day so engaged. It is, clear, however, that the intelligent public is never far from his thoughts. His book is a collection of material for the study of the economics of public utility service and of the politico-economic problems of organisation, management and control which are presented by that service in the United States. It is drawn from many sources, and chosen with the object of presenting not a single consistent point of view but rather the various schools of thought which in that great country keep the public utility pot so vigorously on the boil. The material, as Professor Doran admits, is not of equal value. Cheek by jowl with an admirable scientific study of some economic problem you will find crude propaganda or obviously *ex parte* lucubrations designed not so much to ascertain facts as to protect interests. There is, however, so much that is of value, so much that, but for our author's labours, would have been lost in the obscurity of professional periodicals and unpublished lectures, that he has earned the thanks of all students of the subject. Even the inferior material will serve to train the student in the exercise of his discriminating faculties.

The collection covers every aspect of public utility management and its range is, therefore, very wide: it includes historical studies, economic and financial studies, studies of methods of organisation and of forms of public control. The field of study is wholly American, and the book suffers in some respects from that limitation: as a body of material it would have been improved by more references to European experience and by the inclusion of some of the best British work on, for instance, such subjects as depreciation and the structure of electricity tariffs. Another defect is that the statistical material used in some of the monographs is vitiated by being out of date. Thus a paper on the Behaviour of Costs in the Telephone Industry, which deals with the important and obscure problem whether, and if so how far, the cost per unit of service increases as the number of subscribers increases, is based mainly on 1915 data which are now of little value for the purpose. In spite, however, of these minor blemishes, Professor Doran and the Institute for Research in Land Economics and Public Utilities, the sponsors of the enterprise, are to be congratulated on having produced something which is unique of its kind and which is a real addition to Public Utility literature. If it did nothing else, the illustrations which it provides of the technique of approaching and studying the numerous problems which confront

## Reviews

public utility managements would alone justify its production. This, it may well be, is its greatest value.

If Professor Doran has limited his gaze to the North American Continent, Dr. Hormell has made a voyage of discovery across the Atlantic. His little pamphlet consists of a series of short descriptions, from authoritative sources, of the present practice in six European countries in the matter of the public control and management of utilities, or some of them. We say some of them, for unfortunately the scope of the book is much narrower than its title implies, and in fact is almost limited to the supply of electrical energy. It is just "material," compiled with little or no attempt at criticism, comparative or otherwise, but as material, and especially as material which is not readily accessible, this collection of memoranda with the bibliographies which accompany them, is distinctly useful.

Dr. Bauer is the pathologist of the American system of regulating public utilities, and in that capacity he combines with great skill and precision in diagnosis some useful notions about treatment. In the present memorandum he seems almost to have abandoned hope of anything effective coming from the Public Service Commissions and to turning to municipalities as a more serviceable instrument for securing, through the terms of the franchises or concessions which they grant, a fair deal for the consumer. This comment on the present position with regard to electricity supply deserves quotation: "To a large extent the electric utilities now present a repetition of the history of street railways in the matter of consolidation and inflation. Present excessive earnings, due to improvements and increases in volume of business, are being capitalised as fixed charges through successive purchase and consolidations. When, finally, rates are reduced, as ultimately they must be, or when new competitive factors develop, there will be such a crashing of financial structures as occurred in the street railway industry during the past fifteen years. The irony of events is that this vast inflation has taken place and is continuing while the commissions go on placidly with their cumbersome proceedings, notwithstanding the fact that they were created in large part to prevent such financial abuses" (p. 17). We suspect that Dr. Bauer's commentary is not wholly inapplicable to our own electricity situation. As a summary of the fundamental matters which call for attention in the preparation, under American conditions, of a public utility franchise or concession, his little pamphlet is weighty and illuminating. Dr. Bauer knows what he is talking about.

Mr. Dakyn's object, in the paper under notice, is to review the present position of the study of public utility economics in this

## *Public Administration*

country. We acknowledge with thanks his recognition—perhaps too generous—of the part which the Institute of Public Administration has played in promoting that study and providing material for it, in this country. His main point is, however, that much more needs to be done, and with that we may cordially agree.

H. N. B.

### **A Study of Research in Public Administration**

Prepared for the Advisory Committee on Public Administration of the Social Science Research Council. By JOHN M. GAUS. (New York: October, 1930.)

IN attempting to appraise the value of this Report the reviewer is placed in a position of some uncertainty. First, since the copy to hand is only a draft in stencil the report may not have reached its final form; secondly, it may not have been the author's intention to cover more than a section of the objects set forth in the terms of reference. For these terms include the ascertainment of what areas in the field of research are inadequately dealt with and to what extent there is duplication of effort on the part of existing research organisations in America, on neither of which questions does the report throw sufficient light.

Assuming however that Dr. Gaus' survey is merely preliminary to some further work of critical analysis, one wonders whether he might not have made his descriptive survey more intelligible—at any rate for the foreign reader—by presenting most of his material in the form of a chart, or a series of charts, in which the main agencies of research, legislative, governmental, semi-public and academic, would be set forth with lines to indicate their inter-affiliations and (this would be of great advantage) signs to suggest their relative importance. Dr. Gaus' subject is necessarily a dry one, being twice removed from what really concerns John Brown—the actual efficiency of this or that public service; but his mode of presentation makes not merely for dryness but for some degree of confusion. To say this is not necessarily to question the adequacy of his survey of research facilities in a field which is so much larger and more complex than our own, that to compare the two would be rather like comparing the starry universe of Professor Jeans with that of Sir Isaac Newton.

Without attempting to analyse his report one may select from it two facts in the American situation which (after allowance has been made for constitutional differences) appear to offer suggestions that might be further developed in this country.

One is the large contribution made by American jurists and the Faculties of Law in American Universities to the study of public

## Reviews

administration. Where can we find in this country a journal comparable to the *Harvard Law Review*—to mention only one of several Reviews of the same *genre* and calibre? At least fifty per cent. of its articles are of as much interest to administrators and economists as to lawyers. There is no question that over here public administration as a subject of intensive study suffers unduly from a divorce which confines the training of the average lawyer and the average civil servant to separate watertight compartments—with the result that like the Good and the Clever People in Chesterton's poem the lawyers are "harsh" to the administrators and the administrators "rude" (or inclined to be rude if they were not so tactful) to the lawyers. For reasons connected with the Federal Constitution and the revival of a seventeenth century Common Law tradition, American legal circles, both professional and academic, are doing much to advance social studies across the Atlantic—much more than their confrères here.

The other phenomenon has been the initiation in America of a governmental research movement of which a notable feature has been the establishment of the Institute for Government Research in Washington. The service monographs of this Institute are well known even here, and find their counterpart on a more modest scale in the volumes in the Whitehall Series. But whereas the issue of the latter is presumably undertaken at the publisher's own risk, the former are issued under the auspices of a public body, which though voluntarily formed and financed, places the service of its staff constantly at the disposal not only of the Federal Departments (in working up the material—say—of the Census Bureau), but of Congressional Committees and of such civic bodies as the Chamber of Commerce of the United States. Thus the Institute is in the true sense a public body concerned primarily with research and neither tied to the apron strings of the Government nor under the control of commercial interests.

Besides the aforesaid there is the National Institute of Public Administration, a body similarly organised but apparently primarily concerned with municipal research and with training for the public service generally. In the former relation it carries on the work of the New York Bureau of Municipal Research which it has incorporated; in the latter it has close affiliations with various universities, situated in or near New York. There is talk of the Institute formally allying itself with one of these universities in such a way as to ensure it of financial support; without entirely depriving it of its corporate autonomy.

It is clear that our own Institute has little in common with either of these bodies. But without suggesting that it ought to develop along similar lines one may perhaps be pardoned for wishing that it would

## *Public Administration*

bring the weight of its influence to bear in securing that better facilities should be afforded for placing existing sources of information at the disposal of its members. It might, for example, organise or assist in organising a clearing house into which M.P.s and Peers would be invited to cast their surplus parliamentary papers instead of consigning them to the waste-paper basket; or it might urge the larger Municipal Councils to instruct their Library Committees to organise and maintain a Town Hall Library for the use of its officials (and of I.P.A. Branch members) where the valuable records which every Town Hall possesses relating to the administration of local service, could be preserved and catalogued. Why should the provision of municipal libraries be treated exclusively as a "line service" when it could so readily become a "staff service" as well? Or, again, the Treasury might be petitioned to allow the Whitehall departmental libraries to be used, under appropriate safeguards, by accredited members of the Institute. In these and probably in many other ways useful research could be assisted without the Government being called upon to contribute a penny.

The activities which we have noted in America represent only a fraction of the work which is being accomplished by them and other agencies. Of what the universities were doing we have said nothing. Their contributions are indeed so numerous that it is difficult to see the wood for the trees. That is the principal difficulty about Dr. Gaus' whole Report. But if one treats it as a book of reference (unhappily there is no index) one is soon made aware that some of the trees are as broad based as the Californian pine.

A. L. DAKYNS.

## *Labour and Capital in National Politics*

By H. L. CHILDS. Pp. 286. 1930. (Ohio State University Press.) \$3. THE author of this interesting book is Professor of Political Science at Bucknell University, U.S.A. He is interested in the practice as well as the theory of government, and he has made a close and fully-documented analysis of the governmental activities of the Chamber of Commerce of the United States and of the American Federation of Labour, of the chief exponents, that is, of the outlook and aims of employers and employed in that country. He gives a brief historical background, and a careful study of the internal structure of these bodies, and of "their policy-determining technique" as expressed through committees, conferences, referenda, and the rest, and then proceeds to a full account of the execution of their policies by means



## Reviews

of their influence upon public governmental institutions, legislation and administration. Professor Childs' purpose is not that of investigating the extent to which these bodies fulfil to their members the purposes which have called them into being, nor is he concerned merely to depict their methods of work. These bodies are organised economic groups: and they play a significant part in the process of adjusting a more or less rigid constitutional structure to a kaleidoscopic economic and social environment? What is the pattern of their political behaviour? The economic activities of these and similar bodies are generally familiar, but their governmental significance has not been studied in any searching way. Hence Dr. Childs' book does, as he claims, break new ground. It is a most interesting excursion into that no-man's land between politics and economics which has pretty generally been left alone. The value of a similar investigation of parallel groups here would be considerable—say of the F.B.I. and of the General Council of the Trades Union Congress.

The detail of Dr. Childs' work necessarily has more of interest for the American than for the British reader. But his general conclusions, expressed with caution and impartiality, are valid reading in these days when the term democracy conjures up fading dreams of the age of innocence. He finds, as might be expected, from his examination of the methods of the bodies selected for study, that "execution of policies really involves the extension of the influence of the organisation over the government and the public. . . . Most Federation and Chamber policies look outward rather than inward, necessitating the control of action of non-members. . . . The pressure technique of both groups is geared into the entire governmental machinery, in response, in part at least, to a real need. What this need is can be gleaned only from a full consideration of the times in which we live; the predominance and complexity of business relationships, the antiquated character of many of our governmental methods, the rigidity of our governmental system, the increasing breadth and scope of governmental functions, the newer conceptions of liberty, equality and democracy." Is it too much to say that the study of the actual functioning of organised groups, economic, social, religious, here would restore reality to our interminable discussions of the problems of democratic organisation? Whether our pluralists be right or wrong, they are at any rate nearer to actuality than those who think and speak only in terms of Aristotelian categories.

The last chapter of Dr. Childs' book is devoted to an attempt to assess the social and political importance of the phenomena he has been engaged in describing. He points out the resemblances and the differences between the State and the special interest group: he summarises the main impacts of Chamber and Federation upon the State:

## *Public Administration*

he outlines the major problems arising out of the political relationships of State and group. As American books of this kind are not too readily accessible in this country, the best service an appreciative reviewer can render is to pass on one or two of the outstanding points. The American organisations studied by Dr. Childs play an important part in the life of the State in four ways. First, through them the citizen may establish and maintain contacts with his government: second, the groups influence national policies: third, they are important agencies for insuring continuous responsibility on the part of the government: fourth, they are effective in breaking down constitutional barriers to the smooth working of formal government. Among the problems raised by the continuous activity of these groups is that of their regulation or control by the State. Chamber and Federation have come to prefer a voluntary rather than an institutionalised status. That does not surprise an English observer, though Dr. Childs suggests that "the European mind" will be puzzled by the freedom allowed by the State to such bodies. There is the problem, too, of group influence, or rather of competing group influences: no inter-group laws regulate this competition, through high-pressure publicity, high finance, economic pressure, and so on, for power. How is their claim to influence to be assessed by the State? There are problems of finance—should the State add control, in any form, over the great sums expended by such bodies, to its insistence upon full publicity, and should it give financial assistance to these bodies with whom it does in part co-operate? There is the internal problem of the democratic control of teachers and official staff by rank and file membership, and the further problem of turning the legislative activities of these groups into the channels most useful to society. There is a standing danger of a narrow sectionalism of outlook which shows in the egotistical attempt to make the State the mere agent of group claims. Thus, in various ways the root problem of the division of labour as between group and State is laid bare in the activities of these formidable and necessary organised associations. A few moments' reflection will show the importance of this kind of study: in this country critics are busy with the defects of our democratic machinery. Are they looking at the right defects?

Dr. Childs drew attention in a systematic and unemotional way to facts and problems of first-rate importance. The best appreciation of his book is the expression of a hope that someone here will make a parallel examination of our cognate experience.

H. L. BEALES.

## Reviews

### Factory Labour in India

By AHMAD MUKHTAR, Professor of Economics, Annamalai University, Annamalai-nagar (Madras). Pp. x+328. 1930. (Methodist Publishing House, Madras.)

DR. MUKHTAR is an experienced investigator of industrial conditions in India, and his volume provides a timely analysis of the present industrial situation there. The perusal of his work will be worth while, for English as well as Indian readers, both as a preliminary to the pronouncements which will issue from the Royal Commission on Labour in India and as an exercise in comparative history, in the comparative history by early industrialism. He provides a detailed survey of factory legislation in India (Part I, The State in Relation to Factory Labour), and an elaborate account of the economic situation of factory workers (Part II, The Factory Labourer and His Environment). It is all very unpleasant, and resembles far too closely the disgusting accounts, elaborated in the Bluebooks inspired a century ago by Edwin Chadwick, of the first phase of industrial revolution in this country. "Labour unrest in India has assumed huge proportions of late. How can we account for it? The question has taxed the ingenuity of several inventive geniuses who, in their attempt to offer a satisfactory solution, have come to the conclusion that our industrial strikes are fomented by the Soviet . . . . The Indian factory-labourer lives in an atmosphere which, compared to that of England, stinks destitution, disease and ignorance. He is under-fed, under-clothed and badly housed. His life is a continual struggle against poverty. . . . He gets up early in the morning at about 4 o'clock, prepares his own meals or assists his wife in doing so, and walks to his factory. . . . After doing his daily work, he plods his weary way to a dark, dingy and overcrowded hovel to take the night's repose. In several cases he is huddled together in the same room with workers of both sexes. The room serves manifold purposes—kitchen, bathroom, sitting-room, dining-room and all ". . . . If it offers any comfort to Dr. Mukhtar, or to anyone, in London and in many towns in Great Britain there are conditions, still easily discoverable, similar to these so far as housing is concerned. In this country 29½ million working weeks were lost last year through sickness among insured workpeople. There are differences, of course, very big differences, between the industrial workers' lot here and in India. Neither here nor there is there any known justification for squalor, and Dr. Mukhtar's exposure of hard facts should help towards improvement.

H. L. B.

# *Public Administration*

## How Britain is Governed

By RAMSAY MUIR. (Constable.) 12s. 6d. net.

THIS "critical analysis of modern developments in the British system of Government" will be welcomed by every public-spirited citizen, and especially by those engaged in public affairs. It describes the system, not as it is supposed to be in theory, but as it actually is, the effective power being not controlled by Parliament, but by "the Government." The latter functions through the Civil Service, and our author gives a very elaborate account of the growth and work of the "Bureaucracy." He points out that the Service is not merely a staff of experts under Ministerial control, whose duty is only to "give effect to the will of the political head." On the other hand, the permanent officials not only sway the will of the head so far as the application of the laws they administer is concerned, but they also have a great influence on the framing of the laws and on the country's finance. This state of affairs has its dangers, which, he holds, are increased by the present system of Parliamentary government; but they may be overcome if Parliament can be given a real power of criticism and control over the work of the "Government."

Above the Civil Service is "the Ministry"; nominally dependent on Parliament, it is in practice the master of Parliament, subject only to the risks of a defeat in the House. Its core is the Cabinet, to which Mr. Muir devotes a very exhaustive analysis, explaining its duties and the manner in which it transacts its business. It is lamentably over-worked, so that much of its duty cannot but be neglected, and it is badly organised, being too large for effectiveness and hampered by the overlapping of functions. He suggests that it should be entirely reconstituted, so as to include about a dozen members. These should comprise the Prime Minister, who nominates and presides over his colleagues; the Chancellor of the Exchequer; the Foreign Minister; a Minister of Imperial Relations (under whom would function three separate Departments, each with a subordinate head, for India, the self-governing Dependencies, and the smaller colonies, &c.); a Minister of Defence (with subordinate ministers and Departments for the Admiralty, Army, and Air Force, and for Pensions); a Minister of Justice and Police, supervising part of the work of the present Home Office, as well as that of the Lord Chancellor; the Secretary for Scotland; a Minister for Industry and Commerce (with subordinates for Trade, Labour, Transport, Mines, and Overseas Trade, who would form a council or "sub-Cabinet" and would be provided with an "Economic General Staff"); a Minister for Agriculture, Fisheries, Forestry, and the regulation of the nation's water resources; and a Minister for Social Services, including Health

## Reviews

and Education, with another sub-Cabinet for dealing with every aspect of the "condition of the people." "Posts" and "Works" would not appear in the Cabinet, as their affairs are not concerned with national policy. Nominal offices, such as Lord President of the Council and Lord Privy Seal, might be assigned to wise counsellors who cannot assume departmental responsibilities. Such a Cabinet would be small enough for intimate discussion, and; while free from Departmental routine, more able to control the governmental system; it would also ensure, through its sub-committees, the effective co-ordination of related Departments.

Mr. Muir concludes the first section of his book with a review of the Party System, dealing with its development, with Party Leadership and Organisation, and with Party Funds; he also discusses its rectification and the present breakdown of the "Two-party" System.

Having thus dealt with the Government in detail, the author turns his attention to its control on behalf of the people, which is the true function of Parliament. He examines the defects of the present method of election, and gives details of various alternative schemes, including the Second Ballot, the Alternative Vote, and Proportional Representation. The latter is discussed fully, its advantages and disadvantages explained, and the "conditions of government when there is a balance of parties" are glanced at. Such conditions would, indeed, it is suggested, restore Parliament to some of its true power.

A long and very illuminating chapter treats of the work of the House of Commons. The dictatorship of the Cabinet, together with the overwhelming mass of business and the cumbrous nature of the present procedure, which is described in very full detail, make its control of Government largely ineffective. Then comes an equally exhaustive criticism of the Second Chamber; Mr. Muir comes to the conclusion that, as at present constituted, it is a pure anachronism, and suggests that the hereditary basis be dispensed with altogether. He suggests a small block of, say, 150 or 200 members, to be elected by the Commons from among their most distinguished supporters, plus another fifty persons of ability and eminence. Meantime the work of the Commons should also be revised. There should be a check on the "professional questioner" who only wastes the time of the House. Committees should be multiplied, so that a number of Bills can be dealt with concurrently, and to each should be attached a skilled Parliamentary draughtsman, so that the Bill would emerge in an intelligible and workmanlike form. Many private Bills could be dealt with by the Departmental experts concerned, so long as the final decision lay in the hands of the House. A number of Standing Committees should be formed to deal with finance, each examining critically the estimates and accounts of a group of allied

## *Public Administration*

Departments. There should also be Standing or Consultative Committees dealing with foreign and imperial affairs, both highly confidential bodies not expected to report to Parliament.

These changes could well be supplemented by a system of Devolution, ten or twelve local Provincial Houses dealing with matters affecting their own regions, while the central Parliament dealt with questions of national scope. The reconstituted Second Chamber might serve as a co-ordinating body. Similarly, there might be "Functional" Devolution, a separate advisory body assisting Parliament on industrial matters.

In conclusion, Mr. Muir glances at the control exercised by organised interests outside of the Constitution. He discusses the pressure exercised on Parliamentary candidates by different societies, and the association of local authorities for joint action. He also shows that in matters of finance the real control is exercised not by Parliament but by "the City." Such bodies as the F.B.I. and the Trades Unions have also their own influence on government. Finally there is the vaguer force of "Public Opinion," moulded as it is by Pulpit, Platform, and Press, to say nothing of Broadcasting and Kinema. Of these the greatest is the Press, at present ruled by a group of financiers. A brief summary of the whole book ends with a reminder that unless the necessary changes can be effected, the parliamentary system will be swept away: "Representative government is on its trial."

RONIN.



m-  
ly

lu-  
ers  
ith  
er  
be  
ng

by  
he  
es,  
ws  
a-  
es  
re  
it,  
a.  
of  
er  
ry  
its